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Ministry of
Consumer and
Business
Services

Ministère des
Services aux
Consommateurs
et aux entreprises

Registration Division
Division de l'enregistrement

2002

Annual Charge Book
Cahier des charges
Standard charge terms
Clause types de charge

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This publication is issued pursuant to clause 8(5)(b) of the **Land Registration Reform Act**, which requires the Director of Land Registration to enter all sets of standard charge terms filed under subsection 8(1) of the Act during the calendar year in a charge book and to make available copies of the charge book for purchase by the public. The prescribed fee for the book, set by Item 3 of Section 7 of Regulation 688 under the Act, is $50.00. To comply with the legislation, the book contains the terms filed in 2002 unaltered in any way.

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Registration Division
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Division de l'enregistrement
Ministère des Services aux consommateurs et aux enterprises

STANDARD CHARGE TERMS 2002 - CLAUSES TYPES DE CHARGE DEPOSEES EN 2002

CONTROL SHEET-FEUILLE DE CONTROLE

PAGE 1 OF 1

NO DE DOSSIER FILE NUMBER	PAGES	DATE DE DEPOT FILING DATE	NOM/RAISON SOCIALE NAME
200201	24	2002/01/23	THE ROSE CORPORATION
200202	9	2002/01/23	IntesaBci Canada
200203	7	2002/01/23	IntesaBci Canada
200204	8	2002/01/23	IntesaBci Canada
200205	14	2002/01/23	CIBC Mortgages Inc. (President's Choice Financial)
200206	17	2002/02/14	HOME TRUST COMPANY
200207	11	2002/02/20	SCOTIA MORTGAGE CORPORATION (French of 200114)
200208	10	2002/02/20	SCOTIA MORTGAGE CORPORATION (French of 200117)
200209	21	2002/03/20	BANK OF MONTREAL (Limited Prepayment)
200210	20	2002/03/20	BANK OF MONTREAL (Open Prepayment)
200211	19	2002/03/26	The Manufacturers Life Insurance Company
200212	17	2002/05/08	Manulife Bank of Canada
200213	20	2002/05/14	General Motors Acceptance Corporation of Canada, Limited
200214	13	2002/05/15	IntesaBci Canada
200215	16	2002/05/22	INTERNATIONAL COMMERCIAL BANK OF CATHAY (CANADA)
200216	13	2002/06/11	Scotia Mortgage Corporation (variable rate charge)
200217	15	2002/06/11	Trans Canada Credit Corporation
200218	14	2002/07/24	CIBC Mortgages Inc. (FirstLine Mortgages)
200219	16	2002/07/24	NATIONAL BANK OF GREECE (CANADA)
200220	15	2002/07/24	CIBC Mortgages Inc.
200221	11	2002/07/30	Scotia Mortgage Corporation (French version of 200216)
200222	21	2002/07/30	LONDON GUARANTEE INSURANCE COMPANY
200223	18	2002/08/07	CLINTON COMMUNITY CREDIT UNION LIMITED
200224	15	2002/09/30	LA FEDERATION DES CAISSES POPULAIRES DE L'ONTARIO INC
200225	16	2002/09/30	LA FEDERATION DES CAISSES POPULAIRES DE L'ONTARIO INC (French version of 200224)
200226	24	2002/10/22	HEARTLAND COMMUNITY CREDIT UNION LIMITED
200227	14	2002/10/22	CIBC Mortgages Inc. (Industrial/Commercial/Investment Loans)
200228	18	2002/10/24	HOME TRUST COMPANY
200229	21	2002/10/28	Korea Exchange Bank of Canada

CLAUSES TYPES DE CHARGE
Filing No. 200201 Cote
Filing Date Jan. 23, 2003 Date de Dépôt
Page 1 of/de Twenty Four (24) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT, R.S.O. 1990, C. L.4

SET OF STANDARD CHARGE TERMS

FILED BY: THE ROSE CORPORATION (the "Chargee")

The following set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the said Act:

1. STATUTORY REFERENCES

UNLESS expressly stipulated or otherwise required by the context, all references in this Charge to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same, as amended from time to time.

2. EXCLUSION OF STATUTORY COVENANTS

THE IMPLIED COVENANTS deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded and replaced by the terms hereof which are covenants by the Chargor, for and on behalf of the Chargor, and for the benefit of the Chargee and its successors and assigns.

3. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the *Short Form of Mortgages Act*, R.S.O. 1980, c. 474, and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Form of Mortgages Act* was still in full force and effect.

4. DEFINED TERMS

UNLESS OTHERWISE expressly defined or otherwise required by the context, the following words and phrases shall have the following meanings when used in this Charge:

(a) "Charge" means the Charge/Mortgage of Land to which these Standard Charge Terms are attached as a schedule or which refers to the filing number of these Standard Charge Terms, as the case may be, and all schedules attached to such Charge/Mortgage of Land, and all amendments thereto and replacements thereof from time to time;

(b) "Chargee" means all persons in whose favour this Charge is given and who is or are named in this Charge as Chargee together with its successors and assigns;

(c) "Chargor" means all persons who have given this Charge and who have executed the same as Chargor together with such person's heirs, executors, administrators, successors and assigns;

(d) "Commitment" means each and every letter of commitment, loan approval, term sheet, loan agreement or other similar agreement establishing or pertaining to the loan secured by this Charge or pursuant to which this Charge has been given, and all amendments thereto, restatements thereof and renewals or replacements thereof from time to time;

(e) "Condominium Corporation" means each corporation created pursuant to the *Condominium Act* (Ontario) and pertaining to all or any part of the Lands which are governed by the said Act;

(f) "Costs" includes all costs and expenses of every nature and kind whatsoever incurred by the Chargee or paid by the Chargee to any other party in connection with the underwriting of the loan to the Chargor including, but not limited to, legal, environmental, structural and cost consulting professional fees, or for the protection and preservation of the Lands or any other security held by the Chargee, or for the purpose of preserving and maintaining the enforceability and priority of this Charge and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by, or on behalf of, the Chargee, under or pursuant to this Charge, and includes, without limitation, legal costs incurred by the Chargee on a solicitor and client scale;

(g) "Covenantor" means any party to this Charge expressly defined as such and any and all persons who have directly or indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Charge or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Chargor of its obligations under this Charge or under the Commitment or under any security given in connection therewith;

(h) "Environmental Laws" means any statute, regulation or other legislation regulating, affecting or with subject matter touching upon, without limitation, animal life, plant life or the physical environment;

(i) "Environmental Orders" means any order, ruling, judgment, or other decision regulating, affecting or with subject matter touching upon, without limitation, animal life, plant life or the physical environment;

(j) "Governmental Authority" means any entity that is part of the federal, provincial, municipal or other level of government;

(k) "Hazardous Substance" means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes without limiting the generality of the foregoing,

  (i) any such substance as defined or designated under any applicable laws, regulations or ordinance for the protection of the environment or any living thing now or in the future in effect;

  (ii) asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

  (iii) radioactive and toxic substances;

(l) "Lands" means the lands, tenements, hereditaments and appurtenances and any estate or interest therein described in this Charge, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

(m) "Maturity Date" means the date the loan from the Chargee to the Chargor is due and payable as set out in the Commitment;

(n) "Receiver" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Chargee pursuant to the provisions of this Charge or by any court of competent jurisdiction;(o) "Taxes" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any governmental authority having jurisdiction.

5. PROVISO FOR REDEMPTION

PROVIDED this Charge to be void upon payment of the principal sum hereby secured, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants and agreements contained in this Charge.

6. RELEASE

AND the Chargor doth release to the Chargee all its claims upon the Lands subject to the proviso for redemption herein.

7. ADVANCE OF FUNDS

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

8. CHARGOR'S COVENANTS

THE CHARGOR hereby charges the Lands as security for the payment and satisfaction to the Chargee of principal and interest and all other monies secured by the Charge and/or the Commitment, present and future, and as security for the observance and performance of all other obligations of the Chargor arising pursuant to or in respect of the Charge and/or the Commitment;

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all Taxes and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein, pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, Costs, interest or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, interest, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to, this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the Lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the Lands and has good right, full power and lawful and absolute authority to charge the Lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever and, will not do, commit, execute or knowingly suffer any act, deed, matter or thing whatsoever, whereby or by means whereof the Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all encumbrances except as may be permitted by the Chargee;AND THAT THE CHARGOR will execute such further assurances of the Lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

9. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

10. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Chargee.

11. REPAIR

THE CHARGOR will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste on the Lands (as to which the Chargee or its agent shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as to the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Charge. If at any time the Chargee in its sole discretion determines there is a breach of this covenant to repair, the Chargee may without notice to the Chargor determine not to advance further monies to the Chargee under this Charge and prior to any further advances (provided no other default has occurred and is continuing under this Charge) either require such repairs as it (or its agent) deems necessary to be completed or require funds estimated by the Chargee to so complete the repairs be deposited in trust with the solicitors for the Chargee for such purpose.

12. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Chargee, which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

13. LANDS INCLUDE ALL ADDITIONS

THE LANDS shall include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon, whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty and shall be a portion of the security for the indebtedness herein charged, unless the Chargee agrees otherwise in writing.

14. INSPECTION

THE CHARGEE or its agent shall have access to and the right to inspect the Lands at all reasonable times.

15. TAXES

With respect to Taxes, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay all Taxes, which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the Taxes payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the first day of each and every month during the term of this Charge commencing with the first day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargee in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay the Chargee such additional amounts as are required for that purpose.

(c) In the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future liability for Taxes.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time shall such penalties be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of Taxes as aforesaid, the Chargor shall deliver to the Chargee on or before December 31st in each calendar year or otherwise as requested by the Chargee, written evidence from all taxing authorities having jurisdiction to the effect that all Taxes for the then current calendar year and any preceding calendar years have been paid in full, failing which, the Chargee shall be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Chargor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

(i) In the event the Chargee elects to pay any Taxes or any penalties or interest thereon which have not been paid by the Chargor or otherwise provided for in this Charge, such payment of monies shall bear interest at a rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment and such monies and interest shall be a charge upon the Lands and secured by this Charge.

16. UTILITIES

THE CHARGOR covenants that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Chargor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Chargor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge together with all accrued and unpaid interest and other amounts owing hereunder shall, at the sole option of the Chargee forthwith become due and payable. In the event the Chargee elects to pay fuel and utility charges which have not been paid by the Chargor, such payment of monies shall bear interest at a rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment and such monies and interest shall be secured by the charges hereunder.

17. INSURANCE

THE CHARGOR will insure and keep insured during the term of this Charge the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment to the Chargor and any amounts so paid by the Chargee and interest thereon shall be payable forthwith to the Chargee and shall also be a charge upon the Lands and secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by the Chargee , and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to the Chargee , together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the Lands and secured by this Charge.

IN THE EVENT of any loss or damage, the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or, in the alternative, may require, if permitted by law, that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness, hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event. THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

18. REMITTANCE AND APPLICATION OF PAYMENTS

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at the Chargee's address for service as set out in this Charge or at such other place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

NOTWITHSTANDING anything herein to the contrary, the Chargee may apply any payments received in whatever order the Chargee may elect as between principal, interest, fees, Taxes, insurance premiums, repairs, costs and any other advances or payments made by the Chargee hereunder.

19. RECEIPT OF PAYMENT

ANY payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due on it, to and including the date on which the payment is deemed by this provision to have been received.

20. NO DEEMED RE-INVESTMENT

(Does not apply to blended payment mortgages)

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

21. PRE-AUTHORIZED CHEQUING PLAN

PROVIDED that, if and when required by the Chargee, all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a pre-authorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment except payment made by a pre-authorized cheque. Failure to make all payments by pre-authorized cheque, if and when required by the Chargee, shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

22. POSTDATED CHEQUES

THE CHARGOR shall, if and when required by the Chargee, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and, if required by the Chargee, estimated Taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. Any step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

23. DISHONOURED CHEQUES OR PRE-AUTHORIZED DEBITS

IN THE EVENT that any of the Chargor's cheques or pre-authorized debits are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque or unaccepted pre-authorized debit a servicing fee in the amount of $200 to cover the Chargee's administration costs with respect to same.

24. FINANCIAL AND OPERATING STATEMENTS / BOOKS AND RECORDS / REPORTS

IN THE EVENT the Lands produce income or cash flow, either through rental or sale proceeds, the Chargor shall deliver monthly operating statements in respect of the Lands setting forth the monthly gross rents or sales, the costs and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Chargee from time to time.

THE CHARGOR covenants that, within ninety (90) days after either the end of each fiscal year of operation of the Lands, or of the relevant party, as the case may be, or within such other of time as may be specified by the Commitment or required by the Chargee , the Chargor shall deliver or cause to be delivered to the Chargee the following:

(a) an annual operating statement in respect of the Lands setting forth the gross rents or gross sales and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Chargee for the immediately preceding fiscal period;

(b) with respect to each Chargor and Covenantor which is a corporation, the annual financial statements of each such corporation including, without limitation, the balance sheet of the corporation as at its immediately preceding completed fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the said fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Chargee; and

(c) with respect to each Chargor and Covenantor who is an individual, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Chargee.

All such operating and financial statements shall be prepared at the expense of the Chargor and in accordance with generally accepted accounting principles applied on a consistent basis by a duly qualified chartered accountant or certified public accountant acceptable to the Chargee, and shall be submitted in audited form if so required by the Chargee at its option, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Chargor or Covenantor, as the case may be.

THE CHARGOR hereby covenants to provide from time to time upon the request of the Chargee any and all business records relating to the Lands including, without limitation, operating statements, leases, rent rolls, contracts, management agreements, bank statements and any other documents or reports requested by the Chargee.

25. ESTOPPEL ACKNOWLEDGEMENTS

PROVIDED THAT if and whenever the Chargee requests an acknowledgement from the Chargor as to the statement of account with respect to this Charge or the status of the terms and conditions of this Charge, the Chargor shall execute such an acknowledgement in such form as may be required by the Chargee provided that the contents of such form are correct, and the Chargor shall do so forthwith upon request and without cost to the Chargee and shall return such acknowledgement duly executed within forty-eight (48) hours of such request.

26. STATEMENTS OF ACCOUNT

THE CHARGOR shall be entitled, not more than once per month, to receive, upon written request, a statement of account with respect to this Charge as of any payment date under this Charge.

27. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of the Lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrances. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that if the Chargor does not pay all amounts due to the Chargee secured by the Charge in full on or before the Maturity Date an extension fee of 12% per annum, calculated and payable monthly, based on the amount owed pursuant to this Charge as at the first day of each month, applies until the Charge is repaid in full. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual written agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the Lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the charge or the varying of the term of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent terms agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

28. CONSTRUCTION LIENS

THE CHARGEE may at its option, withhold from any advances for which the Chargor may have qualified, such amounts as the Chargee, in its sole discretion, considers advisable under the provisions of any construction lien legislation so as to secure its priority over all liens, until the Chargee is fully satisfied that all lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this Charge shall be construed to make the Chargee an "owner" or "payer" as those terms may be defined under any construction lien legislation nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the "owner" or "payer" pursuant to the construction lien legislation shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of all construction lien legislation.

29. EXPROPRIATION

IF THE Lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

30. LETTERS OF CREDIT

THE PARTIES to this Charge hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Charge shall stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "Letters of Credit") issued by or on behalf of the Chargee in favour of the Chargor or any other party as may be requested or directed by the Chargor from time to time, and that the total amount of the financial obligations under each Letter of Credit shall be deemed to have been advanced and fully secured under this Charge as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Chargee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all outstanding obligations of the Chargee pursuant to Letters of Credit from time to time outstanding the Chargee shall be entitled to retain out of any payment received under this Charge or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Chargee upon the enforcement of this Charge, an amount equal to the aggregate amount of all outstanding obligations of the Chargee pursuant to Letters of Credit from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Charge; and the Chargee shall be entitled to retain such amount for such period of time that any of the Letters of Credit remain outstanding and the Chargee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

31. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the Lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands, or a change in the Chargor's corporate structure, all sums secured hereunder shall, at the Chargee's option, become due and payable forthwith unless the written consent of the Chargee has been first obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under this Charge and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the Lands or any part thereof shall, in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. HAZARDOUS SUBSTANCES

THE CHARGOR and each Covenantor jointly and severally represent, warrant, covenant and agree that:

(a) each has not and, to the best of their respective knowledge, information and belief after making due inquiry, no other person has caused or permitted any Hazardous Substance to be placed, stored, located or disposed of on, under or at the Lands;

(b) they and their tenants, invitees and, other occupiers of the Lands have and will at all times and, to the best of their respective knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Lands have at all times carried out all business and other activities upon the Lands in compliance with all applicable laws intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;

(c) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to any Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Lands;

(d) each of the representations and warranties set out herein shall remain true and accurate in all respects up to and including the date of the first advance of funds hereunder and thereafter until all amounts secured hereunder are paid in full; and

(e) the Chargee may delay or refuse to make any advance to the Chargor if the Chargee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.

THE CHARGOR shall permit the Chargee to conduct, at the Chargor's expense, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure compliance with the provisions of this paragraph including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands or the businesses and other activities conducted thereon at any time and from time to time.

THE CHARGOR and each Covenantor jointly and severally agree to indemnify and save harmless the Chargee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:

(a) a breach of any of the representations, warranties or covenants hereinset out;

(b) the presence of any Hazardous Substance in, on or under the Lands; or

(c) the discharge, emission, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland;

and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the release and discharge of this Charge and any other security held by the Chargee and repayment and satisfaction of the loan secured by this Charge.

THE CHARGOR shall promptly notify the Chargee if it:

(a) receives notice from any governmental authority of any violation or potential violation of any Environmental Laws, including the release of a Hazardous Substance, which may have occurred or been committed or is about the occur or be committed;

(b) receives notice that any administrative or judicial complaint of Environmental Order has been issued or filed or is about to be filed or is about to be issued or filed against any of the occupants or the Chargor alleging violations of any Environmental Laws or Environmental Orders or requiring the taking of any action in connection with any Hazardous Substance; or

(c) learns of the enactment of any Environmental Laws or the issuance of any Environmental Orders which may have a material adverse effect on the Lands or the operation or the condition, financial or otherwise, of any of the occupants or the Chargor.

33. EVENTS OF DEFAULT

WITHOUT limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately be due and payable upon written notice to the Chargor:

(a) Failure by the Chargor or any Covenantor to pay any installment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

(b) Failure by the Chargor or any Covenantor, to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between them or any of them or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading;

(c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Charge;

(d) Upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;

(e) In the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Chargee within ten (10) days after demand therefor by the Chargee;

(f) In the event that the Lands are abandoned or there is a failure to develop or construct, or significant delay in developing or constructing, the Lands in accordance with the plans, budget and/or schedule approved by the Chargee from time to time or there is any cessation of the business activities or any material part thereof now being conducted upon the Lands by the Chargor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

(g) If the Chargor or any Covenantor commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Lands or any part thereof or if any compromise or arrangement with creditors is made by any of them;

(h) Default by the Chargor, its successors or assigns, or any of the Covenantors in the observance or performance of any representation, warranty, covenant, proviso, agreement or condition contained in any charge or encumbrance or document securing, evidencing or relating to any indebtedness owing by the Chargor, its successors or assigns, to the Chargee from time to time whether or not related to or affecting the within Loan and the Lands or any other loan and property given as security therefore;

(i) In the event that any insurance policies to be provided by the Chargor shall become canceled or invalidated or altered for any reason before such policy is replaced with another which complies with the provisions hereof;

(j) Upon registration of a subsequent mortgage or other encumbrance without the Chargee's prior written consent, which may be unreasonably withheld.

34. DEFAULT

PROVIDED that the Chargee may, on default of or in the performance of any covenant in this Charge contained or implied by law or statute, enter on and lease the Lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days' notice sell the Lands. Such notice shall be given to such persons and in such manner and forms and within such time as provided under the *Mortgages Act*, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Lands, if occupied, or by placing it on the Lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the Lands are situate; such notice shall be sufficient although not addressed to any person or persons by name or designation; notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the Lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law.

AND that the Chargee may sell the whole or any part or parts of the Lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Lands or by reason of non-payment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the Lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part or the Lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all Taxes which shall from time to time fall due and be unpaid in respect of the Lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the Lands, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the Lands or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment and shall be a charge upon the Lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargee, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the Lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and arrears of Taxes in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal hereby secured shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that, upon default under this Charge, the Chargee shall be entitled and shall have full power, as agent of the Chargor, to assume control of, manage, operate and carry on the business of the Chargor being conducted at or upon the Lands on the date of this Charge or at any time thereafter.

PROVIDED that until default hereunder the Chargor shall have quiet possession of the Lands.

AND that on default the Chargee shall have quiet possession of the Lands.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the Lands or any other security or any surety for the money hereby secured either, with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the Lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further, the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the Lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

AND without limiting any other provision of this Charge, the Chargor acknowledges and agrees that, upon the occurrence of any default under this Charge and whether or not the monies hereby secured have been fully advanced, the Chargee may, at any time and from time to time as the Chargee shall determine at its sole option and discretion, advance such further sums under this Charge as are necessary to pay any arrears of Taxes, utilities or other charges capable of constituting a lien upon the Lands pari passu with or in priority to this Charge, to pay all amounts due under any encumbrance having priority over this Charge, to pay all amounts required to discharge or vacate any construction lien registered against the Lands whether or not priority is claimed over this Charge, to maintain in good standing any policies of insurance in respect of the Lands, to maintain, repair, operate and/or manage the Lands and any or all improvements thereon, to complete construction or renovation of any improvements on the Lands, to realize upon any security held by the Chargee for the loan secured by this Charge and generally to enforce all of the Chargee's rights, title and interest hereunder and to protect the Lands and to preserve the enforceability and priority of this Charge, and to pay any and all Costs; and all amounts advanced by the Chargee for any of the purposes as aforesaid shall bear interest at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment from the date so advanced until repaid in full and shall be secured by the Charge in the same priority as the principal amount hereof.

35. RIGHT OF CHARGEE TO REPAIR

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained or contained in the Commitment, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the Lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Lands or for inspecting, taking care of, leasing, collecting the rents of and generally managing the Lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to, allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and shall bear interest at the greater of the interest rate specified in the Commitment and eighteen (18%) percent per annum until paid.

36. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Lands appoint in writing a Receiver of the Lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the *Mortgages Act* (Ontario), the *Construction Lien Act* (Ontario), or the *Trustee Act* (Ontario) as the Chargee may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Lands and/or to complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time either by the Chargee or under court order the following provisions shall apply:

(a) A Statutory Declaration made by the Chargee or by any authorized representative of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;

(b) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the Lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto with respect to all responsibility and liability for its acts and omissions;

(c) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;

(d) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the Lands or any part thereof;

(e) The Receiver shall have the power to rent any portion of the Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the Lands;

(f) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor;

(g) Every such Receiver shall have full power to complete any unfinished construction upon the Lands. To fund such completion the Receiver may borrow money from the Chargee at an interest rate equal to the greater of 18% per annum or the interest rate specified in the Commitment;

(h) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the Lands or any part thereof;

(i) The Receiver shall have full power to assume control of, manage, operate and carry on the business of the Chargor being conducted at or upon the Lands on the date of this Charge or at any time thereafter;

(j) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the Lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Lands from time to time, whether or not any of the same are prior to the interest of the Chargee in the Lands; sale of the Lands; borrowing money on the security of the Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Lands as a condominium; completing any application for first registration pursuant to the provisions of the *Land Titles Act* (Ontario) or pursuant to the *Certification of Titles Act* (Ontario); and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(k) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(i) its remuneration;

(ii) all payments made or incurred by it in the exercise of its powers hereunder;

(iii) any payment of interest, principal and other money which may from time to time be or become charged upon the Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other expenditure made or incurred by it in respect of the Lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the Lands in the same manner as if such documentation was duly executed by the Chargor himself.

37. CHARGEE NOT TO BE DEEMED CHARGEE IN POSSESSION

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a chargee or mortgagee in possession.

38. ENFORCEMENT OF ADDITIONAL SECURITY

IN THE EVENT that, in addition to the Lands charged hereby, the Chargee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. TAKING OF JUDGEMENT NOT A MERGER

THE taking of a judgement or judgements on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgement shall have been fully paid and satisfied.

40. BANKRUPTCY AND INSOLVENCY ACT

THE CHARGOR hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor. The Chargor hereby further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto shall not constitute the Chargee or any such person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada), and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or to enforcement of this Charge or any other security held by the Chargee. The Chargor hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the *Bankruptcy and*

Insolvency Act (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent.

AND THE CHARGOR further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the *Bankruptcy and Insolvency Act* (Canada) shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

41. PERMISSIBLE INTEREST RATE

IT IS NOT the intention of this Charge to violate any provisions of the *Canada Interest Act*, the *Criminal Code* or any other statute dealing with permitted rates of interest in the Province of Ontario or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Criminal Code as amended, replaced or re-enacted from time to time) exceed the "criminal rate" (as defined therein) of interest on the "Credit Advanced" (as defined therein) lawfully permitted under the said legislation, and in the event that it is determined at any time, that by virtue of this Charge or any other document given as security for the herein contemplated loan, the payments of interest required to be made by the Chargor exceed the "criminal rate", then the Chargor shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to this agreement or the Charge, and any excess interest paid to the Chargee shall be refunded to the Chargor and the provisions of this Charge shall in all respects be deemed to be amended accordingly.

42. NON-MERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and conditions of the Commitment shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and delivered to the Chargee in connection with the transaction contemplated by the Commitment, and the terms of the Commitment are incorporated herein by reference. In the event of conflict between the terms of the Commitment and the terms hereof the Chargee shall determine which provisions will apply.

43. NOTICES

ALL NOTICES or other communications to be given pursuant to or in connection with this Charge shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Charge. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

44. PRIORITY OVER VENDOR'S LIEN

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

45. CONSENT OF CHARGEE

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

46. FAMILY LAW ACT (ONTARIO)

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the Lands or any part thereof as a matrimonial home within the meaning of Part II of the *Family Law Act* (Ontario), (c) the ownership of the equity of redemption in the Lands or any part thereof, and (d) a shareholder of the Chargor obtaining rights to occupy the Lands or any part thereof by virtue of shareholding within the meaning of Section 18(2) of the *Family Law Act* (Ontario), or any successor provision thereof, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the Lands by virtue of Section 19 of the *Family Law Act* (Ontario), or, any successor provision thereof. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c), and (d) above as the Chargee may from time to time request.

47. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

48. DISCHARGE

THE CHARGEE shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

IF THIS Charge, the Commitment or any other document provides for the giving of partial discharges of this Charge, it is agreed that, notwithstanding any other provision to the contrary, the Chargor shall not be entitled to request or receive any such partial discharge if and for so long as the Chargor is in default under this Charge, the Commitment or such other document. The Chargor shall pay a partial discharge fee to the Chargee for each partial discharge provided in an amount equal to the greater of the amount specified in the Commitment or $200.

49. FEES

ALL fees as herein provided are intended and agreed to be in an amount sufficient, to compensate the Chargee for the Chargee's administrative costs or, as applicable, to compensate the Chargee for the use of its funds beyond the Maturity Date set out in the Charge and shall not be deemed a penalty. The amount of such fees until paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate equal to the greater of eighteen (18%) percent per annum and the interest rate specified in the Commitment and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. INTERPRETATION

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where any of the Chargor, the Chargee and any Covenantor is more than one person, their respective covenants shall be deemed to be joint and several, and the provisions of this Charge shall be read and construed with all changes of gender and number as required by the context.

51. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

52. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

53. COUNTERPARTS

THIS CHARGE may be executed and/or registered in counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

54. CONSTRUCTION LOAN PROVISIONS

IN THE EVENT that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Lands, the parties hereto covenant and agree that the following conditions shall apply:

(a) All construction on the Lands shall be carried out by reputable contractors having experience which is commensurate to the nature and size of the project to be constructed, which contractors must be prior approved by the Chargee in writing.

(b) The renovations to the building and structures located on the Lands having been commenced shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Chargee and to the satisfaction of all governmental and regulatory authorities having jurisdiction.

(c) If construction on the project on the Lands should cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Chargor excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Chargee, this Charge shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the construction of the said project as agent for the Chargor in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Chargee and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of ten percent (10%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the management fee of ten percent (10%) added to the principal amount of this Charge shall bear interest at a rate equal to the greater of 18% per annum and the interest rate specified in the Commitment and shall form part of the principal sum herein and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) At all times there shall be sufficient funds unadvanced under this Charge and retained by the Chargee to complete the construction and/or renovation of the project on the Lands and as may be necessary to retain the Chargee's priority with respect to any deficiency in the holdbacks required to be retained by the Chargor under the *Construction Lien Act* (Ontario). The Chargor agrees to pay for all project costs in excess of the funding being provided by the Chargee and to cover any and all cost overruns on demand, as and when identified by the Chargee.

(e) This Charge will be advanced in stages as construction upon the Lands proceeds or as the conditions as enumerated by the Commitment are complied with.

(f) All advances which are made from time to time shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Chargee with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Chargor regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.

(g) The Chargor shall pay to the Chargee on each occasion when a progress advance is made a fee equal to the greater of the amount set out in the Commitment or $200 and the Chargee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.

(h) The Chargor covenants and agrees upon completion of the project to be erected on the Lands to deliver as further security for the loan herein secured, a Chattel Mortgage or Security Agreement covering the goods, equipment and chattels to be installed in the said building, said Chattel Mortgage or Security Agreement to be in a form approved by the solicitor for the Chargee.

55. CONDOMINIUM PROVISIONS

IN THE EVENT THAT if all or any part of the Lands is or becomes a condominium unit pursuant to the provisions of the *Condominium Act* (Ontario), the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in this Charge:

(a) For the purposes of all parts of the Lands comprising one or more such condominium units, all references in this Charge to the Lands shall include the Chargor's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;

(b) The Chargor shall at all times comply with the *Condominium Act* (Ontario) and shall forward to the Chargee proof of such compliance as the Chargee may request from time to time including, without limitation, estoppel certificates issued by the Condominium Corporation; and if the Chargor fails to so comply in any respect, the Chargee may do so at its option and all costs and expenses incurred by the Chargee in connection therewith shall be secured by this Charge and payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon at a rate equal to the greater of 18% per annum or the interest rate specified in the Commitment;

(c) The Chargor shall pay, when due, all monies payable by the Chargor or with respect to the Lands in accordance with the provisions of the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Chargee upon request; and if the Chargor fails to make any such payment, the Chargee may do so at its option and all amounts so paid by the Chargee shall be secured by this Charge and shall be payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon at a rate equal to the greater of 18% per annum and the interest rate specified in the Commitment;

(d) The Chargor hereby irrevocably appoints, authorizes and empowers the Chargee to exercise the rights of the Chargor to vote or to consent as an owner within the meaning of the *Condominium Act* (Ontario) with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

  (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise such right to vote or to consent, in which case the Chargor may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Chargee; and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

  (ii) the Chargee shall not be under any obligation to vote, or to consent, or to protect the interests of the Chargor; and

  (iii) the exercise by the Chargee of its right to vote or to consent or to abstain from doing so shall not constitute the Chargee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Chargee;

(e) The Chargor shall forward to the Chargee by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Lands or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

  (i) fourteen (14) days after receipt of the same by the Chargor;

  (ii) seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;

  (iii) seven (7) days prior to the due date of any claim or demand for payment; and

  (iv) within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

(f) The Chargor hereby authorizes and directs the Condominium Corporation to permit the Chargee to inspect the records of the Condominium Corporation at any reasonable time;

(g) In addition to and notwithstanding any other provisions of this Charge, the outstanding principal amount and all accrued interest and other charges secured by this Charge shall, at the Chargee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

(i) the government of the Condominium Corporation or the government of the Lands by the Condominium Corporation is terminated;

(ii) a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Lands, or any part of the same is expropriated;

(iii) the Condominium Corporation fails to comply with any provision of the *Condominium Act* (Ontario) or its declaration or any of its by-laws and rules;

(iv) the Condominium Corporation fails to insure its assets, including the Lands, in accordance with the *Condominium Act* (Ontario) and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.

56. SUCCESSORS AND ASSIGNS

Chargee may assign some or all of its interest in the Charge or underlying indebtedness. Chargor consents and agrees that any information in Chargee's possession relating to the Lands or theCharge, including but not limited to information relating to any covenantor, may be disclosed to any such assignee or potential assignee. Chargor may not assign any of its rights, title or interest under this Charge or the underlying indebtedness without the express written consent of the Chargee.

57. ADVERTISING

Chargee shall be permitted to advertise its financing of the Lands, at Chargee's cost, as it deems appropriate. Where the Chargee is providing construction financing, the Chargor agrees to post a sign, to be provided by the Chargee, on the Lands, indicating the Chargee's involvement.

58. CREDIT REPORTS

Chargee may conduct such credit inquiries as it deems appropriate with respect to the Chargor and any Covenantors who hereby consent and agree.

DATED the 14th day of January, 2002.

THE ROSE CORPORATION

Per T Bankier
Timothy Bankier
Vice-President

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200201 Date

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200202 Cote
Filing Date Jan. 23, 2002 Date de Dépôt
Page 1 of/de Nine (9) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed By: IntesaBci Canada

Filing Date: Jan. 23 2002
Filing Number: 200202

1. This set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act, 1984, as amended (the "Act").

2. Unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings in this Charge:

   (a) "Balance Due Date" means the date in box 9 (i) of Form 2;

   (b) "Bank" means IntesaBci Canada and its successors and assigns;

   (c) "Charge" means **(i)** Form 2, together with **(ii)** this set of Standard Charge Terms;

   (d) "Chargee" means the Bank;

   (e) "Chargor" means the person who signs or the persons who sign Form 2 as Chargor and the heirs, executors, administrators, successors and assigns of that Chargor or of each of those Chargors;

   (f) "Dollars" or "$" means dollars of lawful money of Canada;

   (g) "First Payment Date" means the date in box 9 (f) of Form 2;

   (h) "Form 2" means any Form 2 prescribed by the regulations made under the Act in which this set of standard charge terms is referred to by its filing number as provided by Section 9 of the Act together with all schedules and appendices thereto;

   (i) "Guarantor" means the person who signs or the persons who sign Form 2 as Guarantor and the heirs, executors, administrators and successors of that Guarantor or each of those Guarantors;

   (j) "Interest Adjustment Date" means the date in box 9 (d) of Form 2 or such other date as the Chargor and Chargee may agree in writing, and shall be the date on which the term of this Charge begins;

   (k) "Interest Rate" means the rate of interest in box 9 (b) of Form 2 which is an annual percentage rate calculated half yearly, not in advance and is calculated and payable both before and after default, maturity and judgment;

   (l) "Last Payment Date" means the date in box 9 (g) of Form 2;

   (m) "Monthly Instalment" means the amount of Dollars in box 9 (h) of Form 2, which amount includes principal and interest and Monthly Instalments means the plural of Monthly Instalment;

   (n) "Payment Date" means the day in box 9 (e) of Form 2 in each and every month from and including the First Payment Date through to and including the Last Payment Date;

   (o) "Principal Amount" means the principal amount of money advanced pursuant to this Charge as set out in boxes 4 and 9 (a) of Form 2 together with the amount if any added thereto pursuant to the provisions of this Charge;

   (p) "Property" means the land described in Form 2 together with all buildings, structures, fixtures and improvements built upon or made to the land from time to time and all appurtenances thereto; and

   (q) "Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or occupational health and safety matters and the Property and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to: **(i)** the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); **(ii)** the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and **(iii)** substances or conditions that are prohibited, controlled or otherwise regulated such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyl's ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

   (r) "Spouse of Chargor" means the spouse of each Chargor described in Form 2.

3. In consideration of the Principal Amount paid by the Bank to the Chargor, the receipt of which is acknowledged by the Chargor, the Chargor charges to the Bank the Property with the payment to the Bank of the Principal Amount with interest at the Interest Rate, whether before or after default and as well after as before maturity.

4. This Charge shall operate until all money and interest secured by this Charge are paid, and all obligations whos performance is secured by this Charge are performed, in the manner provided in this Charge. The provisions relating t defeasance contained in subsection 6 (2) of the Act are hereby expressly excluded from the terms of the Charge and the following shall be included:

> Provided that this Charge shall be void upon the Chargor paying or causing to be paid to the Bank, the Principa Amount and interest at the Interest Rate thereon as well after as before maturity and default and judgement at the days and times and in the manner set forth in the Charge and all other amounts payable by the Chargor hereunde and upon the Chargor paying any taxes, rates, levies, charges or assessments and including without limitation utility charges, upon the Property no matter by whom or by what authority imposed and observing and performing all covenants, provisoes and conditions contained in the Charge.

5. The Principal Amount secured by this Charge is that amount set out in boxes 4 and 9 (a) of Form 2 and the Interes Rate chargeable thereon is the rate per annum as set out in box 9 (b) of Form 2, and is calculated half-yearly, not i advance, both before and after default and both before and after maturity.

6. All payments to be made under this Charge shall be paid to the Bank at its head office in Toronto or otherwise as the Bank may from time to time in writing direct. Payments to the Bank under this Charge shall only be made between the hours of 9:00 a.m. and 3:00 p.m. on days on which the Bank is open for business and shall be payable at par i Canadian funds. It is agreed that any payment received by the Bank after 3:00 p.m. shall be deemed to have been received on the first day next following on which the Bank is open for business and interest at the Interest Rate shall be charged and paid accordingly.

7. Interest on the amounts from time to time advanced pursuant to this Charge, shall be computed from and including the respective dates of such advances until the Interest Adjustment Date and shall become due and payable on the Interest Adjustment Date. After the Interest Adjustment Date the Principal Amount together with interest thereon at the Interest Rate both before and after default and before and after maturity, computed from the Interest Adjustment Date, will become due and be paid by equal Monthly Instalments commencing on the First Payment Date and thereafter on each Payment Date to and including the Balance Due Date at which time the balance of the Principal Amount and the interest thereon together with all other money of which payment is secured by this Charge shall become due and be paid. Each of the equal Monthly Instalment payments shall first be applied to interest and the balance, if any, to principal except after default when the Bank may apply any payments received during the period of default in whatever order it elects as between principal, taxes, interest, repairs, insurance premiums, utility charges or other advances made realize or protect its security; and any principal or interest in arrears shall bear compound interest at the Interest Rate; and if interest and compound interest are not paid on the next interest payment date after the date of default, compound interest shall be payable on the aggregate amount then due as well after as before maturity and both before and after judgement and all such interest and compound interest shall be a charge on the Property.

8. Notwithstanding paragraph 7 the Bank may at its option require such interest on the amounts advanced from time to time prior to the Interest Adjustment Date to be paid in instalments in accordance with notice from the Bank or may deduct such interest from any subsequent advance.

9. For the purpose of the application of section 10 of the Interest Act (Canada) or section 17 of the Mortgages Act of Ontario or any similar federal or provincial legislation permitting prepayment, the date of this Charge and the date on which the term of this Charge begins shall be deemed to be the Interest Adjustment Date.

10. The Chargor agrees with the Bank that:

(a) the Chargor will pay to the Bank without deduction or abatement the Principal Amount and interest at the Interest Rate both before and after default and before and after maturity, demand and judgement in the manner of payment provided by this Charge;

(b) the Chargor has a good title in fee simple to the Property;

(c) the Chargor has the right to make this Charge;

(d) on default the Bank shall have quiet possession of the Property free from all encumbrances except those disclosed at the date of this Charge by the records of the Land Registry Office and as agreed to by the Bank;

(e) the Chargor will execute such further assurances of the Property as may be requisite;

(f) the Chargor has done no act to encumber the Property except as the records of the Land Registry Office disclose; the Chargor shall not without the Bank's prior written approval charge or encumber the Property or any part thereof or interest therein or permit any lien or charge thereon except a charge for current municipal taxes.

(g) the Chargor will insure and keep insured the buildings, structures and improvements forming part of the Property to the amount in lawful money of Canada of their full replacement value and not less than the Principal Amount, on an all risks basis, in a policy with such insurer as may be acceptable to the Bank and containing no coinsurance clause but containing a by-law endorsement and a mortgagee's clause in the form approved by the Insurance Bureau of Canada naming the Bank as first loss payee or as its interests may appear; and the Chargor will at least fifteen (15) days prior to expiry or cancellation of the policy, deliver to the Bank acceptable evidence of renewal or replacement thereof; and (without prejudice to the foregoing covenant of the Chargor in this section 10 (g)) it is further agreed that the Bank may require any insurance of the said buildings, structures and improvements to be cancelled and a new insurance policy effected with an insurance company to be named by the Bank and also may of its own accord effect or maintain in its own name any insurance which it considers appropriate and any amount paid by the Bank therefor shall be forthwith payable to the Bank with interest at the Interest Rate by the Chargor and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured; and in the event of a loss, the Chargor shall **(i)** immediately notify the Bank which shall have the right at its discretion, to apply the proceeds of each policy to reduce any indebtedness to it of the Chargor or to pay the cost of repairs or reconstruction; and **(ii)** furnish at his own expense all necessary proofs and do all things necessary to enable the Bank to obtain payment of the insurance proceeds and the production of this Charge shall be sufficient authority for the insurer to pay such proceeds to the Bank and the insurer is hereby directed to pay the same to the Bank;

(h) upon default in payment of principal or interest secured by the Charge or any part thereof or in performance of any of the terms and conditions hereof, the Bank may immediately enter into and take possession of the Property free from all manner of former conveyances, mortgages, charges or encumbrances without let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever and also on default of payment for at least fifteen days the Bank may on at least fifteen days' notice enter on and lease the Property or on default of payment for at least fifteen days may on at least thirty-five days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements are not applicable, the foregoing power of sale may be exercised without notice or different notice than specified above. Notice may be effectually given by leaving it with a grown-up person on the Property if occupied, or, if unoccupied by posting it on any improvement on the Property or at the Bank's option, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county, district or regional municipality in which the Property is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. Provided further, without prejudice to the powers of the Bank under the foregoing provision, that in case default be made in any payment required to be made by the Chargor under this Charge and such default continues for two months after any payment falls due, then the Bank may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however that if the giving of notice by the Bank shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is further agreed that the whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges or expenses incurred in taking, recovering, protecting or keeping possession of the Property or enforcing the security or procuring payment of moneys secured hereby or otherwise, and that the Bank may sell the Property or any part thereof on such terms as to credit or otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Bank shall be bound to pay the Chargor only such money as have been actually received from the purchaser after satisfaction of the claims of the Bank and others entitled and for any of the said purposes may make and execute all agreements and assurances as the Bank thinks fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; the costs of any sale proceedings, whether such sale proves abortive or not, and all costs, charges and expenses incurred in inspecting the Property or in taking recovery or keeping possession of the Property or in enforcing this security or in procuring payment of the monies secured by this Charge shall be added to the Principal Amount, bear interest at the Interest Rate until paid and be a charge on the Property prior to all claims subsequent to this Charge;

(i) the Bank may distrain against the Property for arrears of interest and for any instalment in arrears and unpaid, and for any other sums of money lawfully charged against the Property;

(j) the Chargor will keep the Property in good condition and repair according to the nature and description thereof and shall refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Property; and the Bank may, whenever it deems necessary, by its surveyor, servant or agent enter upon and inspect the Property and the interior of the buildings, structures and improvements and the reasonable cost of such inspection shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and if the Chargor neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property (as to which the Bank shall be sole judge) or makes default as to any of the covenants or provisions contained in the Charge, (and without limiting the generality of the foregoing if the Chargor fails to pay realty taxes, utility accounts or insurance premiums) the whole money hereby secured shall at the option of the Bank forthwith become due and payable, and all powers contained in this Charge may be exercised at the option of the Bank; and the Bank may pay the taxes, utility accounts or insurance premiums and may make such repairs as it deems necessary, and the costs of making such repairs or the amount so paid as the case may be, shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and

(k) the Chargor shall pay as and when due all monies payable under charges in priority to this Charge and observe and perform all the terms, provisions, convenants and conditions in such prior encumbrances; and the Chargor will duly pay all rates, taxes (including municipal taxes, amounts that are deemed to be taxes, school taxes and local improvement rates) levies and assessments whatsoever affecting the Property, all utility accounts and all premiums for insurance effected pursuant to this Charge; and within thirty days after the end of each calendar year the Chargor will produce to and leave with the Bank, the duly receipted realty tax bills and utility service bills confirming payment in full relating to the Property for the previous calendar year;

(l) the Chargor shall comply with all laws, by-laws and regulations affecting the Property of any governmental authority or agent having jurisdiction including all Requirements of Environmental Law and at the Chargor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any requirement or change in use that may be required from time to time to effect such compliance. Without limiting the foregoing, the Bank or its agent may from time to time enter upon the Property and inspect the same and make such repairs and conduct such environmental audits or site assessments, surveys and tests, (including taking soil, ground water or other samples), as the Bank deems necessary without thereby being deemed a mortgagee in possession and the reasonable cost of these shall be added to the Principal Amount and be secured by this Charge and shall be a charge on the Property;

(m) the Chargor shall notify the Bank promptly of any event or occurrence that will, or is likely to, give rise to a report, inquiry or investigation relating to a matter that may have a material adverse effect on the Chargor or the Property, or any action, suit or proceeding against the Chargor or others having an interest in the Property relating to, or a violation of, the Requirements of Environmental Law;

(n) the Chargor shall provide to the Bank upon request such information, certificates, or statutory declarations as to, and shall conduct such environmental audits or site assessments as may be reasonably necessary to ensure, the compliance with all Requirements of Environmental Law;

(o) the Chargor shall execute all consents, authorizations and directions that are required to permit any inspection or review of the Property and the activities carried out thereon and hereby consents to the release to the Bank, or its representatives, of information relating to the Property and the activities carried out thereon and compliance by the Chargor and others having an interest in the Property with all Requirements of Environmental Law;

(p) if the Property is a condominium unit or units and its or their appurtenant common interest then:

(i) subsection 10 (g) does not apply to the extent only that the Condominium Corporation maintains insurance that the Chargor would otherwise be responsible to obtain and maintain under that subsection, for so long as the Condominium continues in existence;

(ii) the Chargor agrees to comply with all of the terms imposed by the Condominium Act as amended from time to time, the declaration of the Condominium, the by-laws and rules of the Condominium Corporation, all as amended from time to time. Any contravention of those terms will constitute a contravention and default under the Charge;

(iii) the Chargor agrees to pay contributions to the common expenses of the Condominium Corporation as they fall due and in default of so doing, the Bank may at its option pay these contributions and such amounts will be added to the debt secured by the Charge, be a charge against the Property and be immediately due and payable by the Chargor;

(iv) the Chargor authorizes and empowers the Bank to exercise its right as an owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that until the Bank gives notice in writing to the Chargor and to the Condominium Corporation, the Chargor may exercise the right to vote and to consent. The Bank is not under any obligation to vote or consent or protect the Chargor's interest and the exercise by the Bank of the right to vote or consent will not constitute the Bank a mortgagee in possession of the Property; and

(v) the Chargor hereby assigns to the Bank the proceeds of all insurance money that may be payable to the Chargor by the insurance trustee for the Condominium Corporation or otherwise.

11. The Chargor and the Bank agree that:

(a) if the Chargor is in default of any payment of monies hereunder and in particular of any premium of insurance or any taxes, rates, levies or assessments which shall from time to time fall due with respect to the Property to be paid by the Chargor under the provisions of this Charge, or if there is any lien or other encumbrance affecting the Property to which the Bank has not consented in writing the Bank may pay the whole or any part of such amounts, though the Bank is not obligated to do so, and the amount so paid by the Bank together with all costs, charges, legal fees and expenses incurred in connection therewith shall be added to the Principal Amount hereby secured, be a charge on the property, bear interest at the Interest Rate, and be payable to the Bank forthwith, and in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; and the Bank may also pay or satisfy any lien, charge or encumbrance now existing or hereafter created upon the Property and any amount so paid shall be repaid in accordance with this sub-section; and if the Bank pays or satisfies such charge, lien or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid off, and it may retain any discharge thereof without registration for so long as it thinks fit;

(b) the Chargor shall pay to the Bank upon request all fees, charges, expenses and disbursements of the Bank (including all legal costs of the Bank on a solicitor and his client basis) incidental to:

(i) the negotiating of the loan contemplated in this Charge, investigating title, preparing, executing and registering this Charge and other necessary documents and any renewal, amendment or discharge of this Charge,

(ii) all proceedings taken by the Bank to enforce this Charge or the remedies under it, whether or not any legal action has taken place, and

(iii) generally in any other proceedings taken in connection with or to realize or protect the Property or this security.

In the event of non-payment of the said costs, expenses and charges within thirty days of the request, the amount thereof shall be added to the Principal Amount hereby secured, bear interest at the Interest Rate until paid and be payable to the Bank forthwith and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge or existing at law, in equity or otherwise shall become exercisable;

(c) if the Chargor is in default in the payment of any of the Monthly Instalments or of any part thereof, or in the payment of any other sum of money secured by this Charge, or in the performance or observance of any covenant, agreement, proviso or condition herein contained, or in any other written agreement between the Chargor and the Bank (including without limitation the commitment letter or facility letter relating to this loan if any),

Chargor to be performed or observed, or in failing to pay on the Balance Due Date any amount then outstanding, then in such case the Principal Amount and all interest shall, at the option of the Bank become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; provided that the Bank may in writing at any time or times after default waive such default, and upon such waiver the time or times for payment of the Principal Amount and interest shall be as set out in the repayment provisions in this Charge. Such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default;

(d) no extension of time for the doing of anything required by this Charge, which shall have been given by the Bank to the Chargor, his successors or assigns shall affect or postpone any of the rights of the Bank, either against the Chargor or any other person liable for the payment of the money hereby secured and the Chargor and such other person shall continue to be liable for the repayment of the Principal Amount with interest; the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest despite the fact that there may be subsequent encumbrancers and it shall not be necessary to obtain the consent of any subsequent encumbrancer to the renewal or increase in interest rate or to register any such agreement in order to retain priority for the charge so altered over any instrument registered subsequently to the Charge. Nothing contained in this subparagraph 11 (d) confers any right of renewal or extension upon the

(e) until this Charge has been discharged, the Chargor will not transfer or sell or lease or enter into any agreement for sale of the whole or any part of the Property or the Chargor's interest therein without first obtaining the written consent of the Bank and, should the Chargor do so, the whole money hereby secured shall, at the option of the Bank, forthwith become due and payable; the Bank may withhold its consent contemplated in this sub-section in its absolute discretion for any reason whatsoever notwithstanding any rule of law or equity to the contrary. The Chargor shall also pay to the Bank a further sum by way of liquidated damages equivalent to six months' interest at the Interest Rate on the Principal Amount then outstanding, to compensate the Bank for its expenses in reinvesting the money so falling due. If the Bank does consent to the transfer or sale, the Chargor shall deliver a copy of the transfer or other document by which the sale or transfer took place as well as an accepted transfer of the insurance policy or new insurance policy showing the transferee as owner, always in compliance with the requirements for insurance set out in this Charge. Notwithstanding the transfer and sale and assumption of the Charge by the transferee from time to time, and notwithstanding dealings between the Bank and any subsequent owner including any extension of time for payment given, the Chargor shall continue to be bound by the provisions hereof and remain liable for repayment of the Principal Amount with interest at the Interest Rate both before and after default and both before and after maturity until paid. If the Chargor is a corporation, a change in control of the Chargor shall be deemed to constitute a transfer of the Property. A change in control of a corporate Chargor shall be deemed to occur if there is a sale, assignment, amalgamation or other transfer of the existing beneficial ownership of more than 50 percent of the voting shares of the Chargor or of any other corporation which directly or indirectly owns more than 50 percent of such shares or controls the corporation;

(f) neither the preparation, execution nor registration of this Charge, nor the advance in part of the moneys secured hereby, shall bind the Bank to advance the said moneys or any unadvanced portion thereof but nevertheless this Charge shall take effect forthwith upon execution of the Form 2 relating to the loan contemplated hereby by the Chargor and the legal and other costs (including consultant's fees, if any) incurred by the Bank in connection with the loan and this charge are added to the Principal Amount and secured hereby;

(g) any notice shall be deemed to be served on the Chargor if:

(i) left with a grown up person on the Property if occupied or if unoccupied, by posting it on any improvement forming part of the Property; or at the Bank's option

(ii) published once in a newspaper circulated in the county, district or regional municipality in which the Property is situate; or at the Bank's option

(iii) mailed, by registered letter, addressed to the Chargor at his last known address in which case it shall be deemed to have been received on the fourth day after mailing, even if the Chargor does not actually receive

Such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability.

(h) the taking of a judgment or judgments on any of the agreements or covenants in this Charge shall not operate as a merger of any agreement, agreements, covenant or covenants in the Charge nor affect the Bank's right to interest at the rate and times herein provided; and further, any such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied;

(i) if the Bank incurs any cost or expense arising from or relating to the Ontario New Home Warranties Plan Act as amended from time to time or the regulations thereunder including (without limiting the generality of the foregoing), any cost or expense relating to registration as a vendor under that act or enroling the Property or entering into any agreement or agreements relating to performance of warranty obligations, or performing any warranty, obligation, and all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(j) if the Bank incurs any cost or expense arising from or relating to the Requirements of Environmental Law, whether such cost or expense was incurred as a result of an order or direction of a court or governmental authority or otherwise, all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(k) the Bank may at its discretion and subject to the provisions of the **Planning Act**, release any part or parts of the Property or any other security or any surety for the debt secured by the Charge either with or without consideration therefor, without responsibility therefore and without thereby releasing any other part of the Property or any person or other surety from the Charge or from any covenant contained or incorporated in the Charge without being accountable to the Chargor for the value thereof or for any money other than that actually received by the Bank, it being expressly agreed that every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the debt secured by the Charge. No person shall have any right to require the monies secured hereby to be apportioned upon or in respect of any part or parts of the Property and the Bank may from time to time discharge any part or parts, lot or lots of the Property for such consideration as it thinks proper or without consideration if it sees fit, and no such discharge shall diminish or prejudice this security as against that part or those parts of the property remaining undischarged or against any person whomsoever.

12. Without prejudice to its other rights, privileges and remedies, the Bank may at any time and from time to time when there shall be default under this Charge, the Bank may, at such time and from time to time and with or without entry into possession of the Property, or any part thereof, forthwith appoint or apply to the court and obtain the appointment of any person or persons whether an officer or an employee of the Bank or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Property, or any part thereof, and of the rents and profits thereof, and may remove any receiver and appoint another in its stead, and that, in making such appointment or removal, the Bank shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver the following provisions shall apply:

(a) every such receiver shall have unlimited access to the Property (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to deal with all aspects of the Property and its management and development including full power and unlimited authority to:

(i) demand, recover and collect the rents and profits from tenancies whether created before or after this Charge;

(ii) rent any portion of the Property which may become vacant on such terms and conditions as it considers advisable and enter into and execute leases, accept surrenders and terminate leases;

(iii) complete development of any land and/or the construction of any building or buildings or other erections or improvements forming part of the Property left by the Chargor in an unfinished state or award the same to others to complete; repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable; and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description and this subclause shall include the power to commence or continue any proceeding under the Planning Act (including fulfilling conditions, effecting compliance with an official plan, zoning by-law) or to commence or continue registration of the Property or part thereof as a condominium; and

(iv) manage, operate, repair, alter or extend the Property or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do on or in the Property.

(b) The Bank may at its discretion vest the receiver with all or any of the rights and powers of the Bank.

(c) The Bank may from time to time fix the remuneration of the receiver and may compensate every receiver for all disbursements properly incurred by it in carrying out the duties hereunder and the receiver shall be entitled to deduct the same out of the revenue or the sale proceeds of the Property.

(d) The appointment of any such receiver by the Bank shall not result in or create any liability or obligation on the part of the Bank to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Bank a mortgagee in possession of the Property.

(e) No such receiver shall be liable to the Chargor to account for moneys other than moneys actually received by it in respect of the Property, or any part thereof, and out of such moneys so received every such receiver shall, in the following order, pay:

(i) its remuneration aforesaid;

(ii) all costs and expenses of every nature and kind incurred by it in connection with the exercise of its powers and authority hereby conferred;

(iii) interest, principal and other money which may, from time to time, be or become charged upon the Property in priority to this Charge, including taxes as described in section 10 (k);

(iv) to the Bank all interest, principal and other moneys due hereunder to be paid in such order as the Bank in its discretion shall determine; and thereafter

(v) every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Property and shall bear interest from the date of demand at the Interest Rate until paid.

(f) Save as to claims for accounting under clause (e) of this section 12, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such receiver unless such claim be the direct result of dishonesty or fraud.

(g) The Bank may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(h) The statutory declaration of an officer of the Bank as to default under the provisions of this Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(i) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Bank may have.

(j) Every such receiver shall be considered the irrevocable agent or attorney of the Bank for the purpose of realizing on or disposing of the Property and shall be deemed to be the agent of the Chargor for all purposes. In no event shall the Bank be responsible for the acts and omissions of the receiver.

13. (a) The Chargor agrees with the Bank to provide forthwith at the Chargor's own expense such additional security, information, documentation and assurances as may be required from time to time by the Bank during the currency of this Charge, to determine, establish and preserve in all aspects, the priority of this Charge and all advances made hereunder over any rights of lien claimants pursuant to the provisions of the Construction Lien Act, 1983 (Ontario) as amended from time to time. The Chargor further covenants and agrees with the Bank that if the Bank makes any payment in connection with the determination, establishment or preservation of the priority of this Charge and all advances hereunder, whether such payment is made to a lien claimant or other person claiming an interest in the Property or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be payable to the Bank by the Chargor, be a charge on the Property in priority to all encumbrances subsequent to this Charge, be added to the Principal Amount, bear interest at the Interest Rate and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable.

(b) It is further agreed that the Bank shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this section 13 or in making any payment to preserve, protect or secure the Property.

14. The Chargor further agrees with the Bank that forthwith after any change or happening affecting the Property or the

Chargor including but not limited to any of the following, namely

(a) the spousal status of the Chargor,

(b) the qualification of the Property as a matrimonial home within the meaning of the Family Law Act, 1986, as amended from time to time or similar legislation in effect from time to time, or

(c) the ownership of the Property

the Chargor will forthwith advise the Bank in writing accordingly and will forthwith provide the Bank with full particular thereof so that the Bank is kept fully informed of the names and addresses of the owner or owners from time to time o the Property and of any spouse who is not an owner but who has rights in the Property by virtue of any family law legislation in effect from time to time. The Chargor covenants and agrees to provide the Bank with such evidence i connection with any of (a), (b) and (c) above or any other matter as the Bank may from time to time request. Nothing i this section 14 shall be construed to permit a contravention of section 11 (e) of this Charge.

15. In consideration of the Bank entering into this Charge and loaning money or money's worth to the Chargor, and of othe valuable consideration, (the receipt whereof is hereby acknowledged) the Guarantor covenants and agrees for himself, his heirs, executors, administrators and successors as the case may be, with the Bank that:

(a) throughout the term of this Charge and any extension or extensions of the time for payment, the Chargor will duly pay the Principal Amount and interest at the Interest Rate and all moneys at any time secured by this Charge on the day and times required by this Charge and will duly perform and observe all covenants, agreements an provisos in this Charge;

(b) if default be made in payment of the Principal Amount or interest or any other payment required to be made according to the terms hereof, the Guarantor shall forthwith upon demand pay to the Bank the amount in defaul together with interest at the Interest Rate;

(c) the Guarantor shall be considered as primarily liable to the Bank in the same manner and to the same extent as i he had executed this Charge as Chargor and shall not be released nor shall the liability hereunder of the Guarantor be limited, lessened or discharged by any variation in or departure from the provisions of this Charge nor by the Bank granting time or other indulgence to the Chargor, assigning this Charge, taking or giving up securities, accepting proposals, granting releases or discharges or otherwise dealing with the Property or the parties hereto or any of them or with any other person or persons or by the release of the Chargor in any creditor, receivership, bankruptcy or other proceedings or by any other thing whatsoever either of a like nature to the foregoing or otherwise whereby as surety only the Guarantor would or might be released;

(d) the Bank shall not be bound to exhaust its recourse against the Chargor or against any other person or persons before enforcing its rights against the Guarantor;

(e) if this Charge is assigned by the Bank, the benefits of the above covenants and guarantee may be assigned with it;

(f) the Guarantor hereby waives all notices of non-performance, non-payment and non-observance on the part of the Chargor of the covenants, agreements and provisions in this Charge;

(g) the terms of this Charge, including this guarantee, shall be interpreted in accordance with the laws of Ontario and the Guarantor attorns to the jurisdiction of the courts of Ontario and agrees that any action that may be brought against him pursuant to this guarantee may be brought in Ontario;

(h) if there is more than one Guarantor or in the event that any Guarantor is a female party or a corporation the provisions of this guarantee section shall be read with all grammatical changes thereby rendered necessary and all covenants of the Guarantor shall be deemed to be joint and several and each Guarantor agrees with the Bank to be jointly and severally liable under this guarantee with the other Guarantors and the Chargor.

The Guarantor acknowledges having read this Charge and is fully aware of its terms and, in particular, the terms of this guarantee.

16. This Charge and everything contained in this Charge shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of each and every one of the parties hereto and words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include females and corporations and the provisions hereof shall be read with all grammatical changes thereby rendered necessary. If there is more than one Chargor all covenants shall be deemed to be joint and several. Each obligation of the Chargor expressed in this Charge, even though not expressed as a covenant, is considered for all purposes to be a covenant of the Chargor.

17. If any of the forms of words contained in this Charge are also contained in Column One of Schedule B of the Short Forms of Mortgages Act R.S.O. 1980 c.474, as amended and/or restated from time to time and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said act distinguished by the same number, and, to the extent permitted by law, this Charge shall be interpreted as if the Short Forms of Mortgages Act still applied to this Charge. If any such forms of words or any other terms of this Charge are inconsistent with any of the covenants provided for in Section 7 of the Act, any such covenant so provided for in the Act, to the extent that it is so inconsistent, is expressly excluded from the terms of this Charge.

18. If any term, covenant or condition of this Charge is to any extent, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the remainder of this Charge shall not be affected thereby and each term, covenant and condition of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

DATED the 16th day of January, 2002.

IntesaBci Canada
by its solicitors,
Fasken Martineau LLP
by:

Paul R. King

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200202 Cote

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200203 Cote
Filing Date Jan. 23, 2002 Date de Dépôt
Page 1 of/de Seven (7) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed By: IntesaBci Canada

Filing Date: Jan. 23, 2002
Filing Number: 200203

1. This set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act, 1984, as amended (the "Act").

2. Unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings in this Charge:

   (a) "Balance Due Date" means the date in box 9 (i) of Form 2;

   (b) "Bank" means IntesaBci Canada and its successors and assigns;

   (c) "Charge" means **(i)** Form 2, together with **(ii)** this set of Standard Charge Terms;

   (d) "Chargee" means the Bank;

   (e) "Chargor" means the person who signs or the persons who sign Form 2 as Chargor and the heirs, executors, administrators, successors and assigns of that Chargor or of each of those Chargors;

   (f) "Dollars" or "$" means dollars of lawful money of Canada;

   (g) "First Payment Date" means the date in box 9 (f) of Form 2;

   (h) "Form 2" means any Form 2 prescribed by the regulations made under the Act in which this set of standard charge terms is referred to by its filing number as provided by Section 9 of the Act together with all schedules and appendices thereto;

   (i) "Guarantor" means the person who signs or the persons who sign Form 2 as Guarantor and the heirs, executors, administrators and successors of that Guarantor or each of those Guarantors;

   (j) "Interest Adjustment Date" means the date in box 9 (d) of Form 2 or such other date as the Chargor and Chargee may agree in writing, and shall be the date on which the term of this Charge begins;

   (k) "Interest Rate" means the rate of interest in box 9 (b) of Form 2 which is an annual percentage rate calculated half-yearly, not in advance and is calculated and payable both before and after default, maturity and judgment;

   (l) "Last Payment Date" means the date in box 9 (g) of Form 2;

   (m) "Monthly Instalment" means the amount of Dollars in box 9 (h) of Form 2, which amount includes principal and interest and Monthly Instalments means the plural of Monthly Instalment;

   (n) "Payment Date" means the day in box 9 (e) of Form 2 in each and every month from and including the First Payment Date through to and including the Last Payment Date;

   (o) "Principal Amount" means the principal amount of money advanced pursuant to this Charge as set out in boxes 4 and 9 (a) of Form 2 together with the amount if any added thereto pursuant to the provisions of this Charge;

   (p) "Property" means the land described in Form 2 together with all buildings, structures; fixtures and improvements built upon or made to the land from time to time and all appurtenances thereto; and

   (q) "Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or occupational health and safety matters and the Property and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to: **(i)** the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); **(ii)** the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and **(iii)** substances or conditions that are prohibited, controlled or otherwise regulated such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyl's ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundment's.

   (r) "Spouse of Chargor" means the spouse of each Chargor described in Form 2.

3. In consideration of the Principal Amount paid by the Bank to the Chargor, the receipt of which is acknowledged by the Chargor, the Chargor charges to the Bank the Property with the payment to the Bank of the Principal Amount with

interest at the Interest Rate, whether before or after default and as well after as before maturity.

4. This Charge shall operate until all money and interest secured by this Charge are paid, and all obligations whos performance is secured by this Charge are performed, in the manner provided in this Charge. The provisions relating to defeasance contained in subsection 6 (2) of the Act are hereby expressly excluded from the terms of the Charge an the following shall be included:
Provided that this Charge shall be void upon the Chargor paying or causing to be paid to the Bank, the Principa Amount and interest at the Interest Rate thereon as well after as before maturity and default and judgement at the days and times and in the manner set forth in the Charge and all other amounts payable by the Chargor hereunder and upo the Chargor paying any taxes, rates, levies, charges or assessments and including without limitation, utility charges upon the Property no matter by whom or by what authority imposed and observing and performing all covenants, provisions and conditions contained in the Charge.

5. The Principal Amount secured by this Charge is that amount set out in boxes 4 and 9 (a) of Form 2 and the Interest Rate chargeable thereon is the rate per annum as set out in box 9 (b) of Form 2, and is calculated half-yearly, not i advance, both before and after default and both before and after maturity.

6. All payments to be made under this Charge shall be paid to the Bank at its head office in Toronto or otherwise as the Bank may from time to time in writing direct. Payments to the Bank under this Charge shall only be made between th hours of 9:00 a.m. and 3:00 p.m. on days on which the Bank is open for business and shall be payable at par i Canadian funds. It is agreed that any payment received by the Bank after 3:00 p.m. shall be deemed to have been received on the first day next following on which the Bank is open for business and interest at the Interest Rate shall b charged and paid accordingly.

7. Interest on the amounts from time to time advanced pursuant to this Charge, shall be computed from and including the respective dates of such advances until the Interest Adjustment Date and shall become due and payable on the Interest Adjustment Date. After the Interest Adjustment Date the Principal Amount together with interest thereon at the Interest Rate both before and after default and before and after maturity, computed from the Interest Adjustment Date, will become due and be paid by equal Monthly Instalments commencing on the First Payment Date and thereafter on each Payment Date to and including the Balance Due Date at which time the balance of the Principal Amount and the interest thereon together with all other money of which payment is secured by this Charge shall become due and be paid. Each of the equal Monthly Instalment payments shall first be applied to interest and the balance, if any, to principal except after default when the Bank may apply any payments received during the period of default in whatever order it elects as between principal, taxes, interest, repairs, insurance premiums, utility charges or other advances made by the Bank to realize or protect its security; and any principal or interest in arrears shall bear compound interest at the Interest Rate; and if interest and compound interest are not paid on the next interest payment date after the date of default, compound interest shall be payable on the aggregate amount then due as well after as before maturity and both before and after judgement and all such interest and compound interest shall be a charge on the Property.

8. Notwithstanding paragraph 7 the Bank may at its option require such interest on the amounts advanced from time to time prior to the Interest Adjustment Date to be paid in instalments in accordance with notice from the Bank or may deduct such interest from any subsequent advance.

9. For the purpose of the application of section 10 of the Interest Act (Canada) or section 17 of the Mortgages Act of Ontario or any similar federal or provincial legislation permitting prepayment, the date of this Charge and the date on which the term of this Charge begins shall be deemed to be the Interest Adjustment Date.

10. The Chargor agrees with the Bank that:

(a) the Chargor will pay to the Bank without deduction or abatement the Principal Amount and interest at the Interest Rate both before and after default and before and after maturity, demand and judgement in the manner of payment provided by this Charge;

(b) the Chargor has a good title in fee simple to the Property;

(c) the Chargor has the right to make this Charge;

(d) on default the Bank shall have quiet possession of the Property free from all encumbrances except those disclosed at the date of this Charge by the records of the Land Registry Office and as agreed to by the Bank;

(e) the Chargor will execute such further assurances of the Property as may be requisite;

(f) the Chargor has done no act to encumber the Property except as the records of the Land Registry Office disclose; the Chargor shall not without the Bank's prior written approval charge or encumber the Property or any part thereof or interest therein or permit any lien or charge thereon except a charge for current municipal taxes.

(g) the Chargor will insure and keep insured the buildings, structures and improvements forming part of the Property to the amount in lawful money of Canada of their full replacement value and not less than the Principal Amount, on an all risks basis, in a policy with such insurer as may be acceptable to the Bank and containing no coinsurance clause but containing a by-law endorsement and a mortgagee's clause in the form approved by the Insurance Bureau of Canada naming the Bank as first loss payee or as its interests may appear; and the Chargor will at least fifteen (15) days prior to expiry or cancellation of the policy, deliver to the Bank acceptable evidence of renewal or replacement thereof; and (without prejudice to the foregoing covenant of the Chargor in this section 10 (g)) it is further agreed that the Bank may require any insurance of the said buildings, structures and improvements to be cancelled and a new insurance policy effected with an insurance company to be named by the Bank and also may of its own accord effect or maintain in its own name any insurance which it considers appropriate and any amount paid by the Bank therefor shall be forthwith payable to the Bank with interest at the Interest Rate by the Chargor and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured; and in the event of a loss, the Chargor shall **(i)** immediately notify the Bank which shall have the right at its discretion, to apply the proceeds of each policy to reduce any indebtedness to it of the Chargor or to pay the cost of repairs or reconstruction; and **(ii)** furnish at his own expense all necessary proofs and do all things necessary to enable the Bank to obtain payment of the insurance proceeds and the production of this Charge shall be sufficient authority for the insurer to pay such proceeds to the Bank and the insurer is hereby directed to pay the same to the Bank;

(h) upon default in payment of principal or interest secured by the Charge or any part thereof or in performance of any of the terms and conditions hereof, the Bank may immediately enter into and take possession of the Property free from all manner of former conveyances, mortgages, charges or encumbrances without let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever and also on default of payment for at least fifteen days the Bank may on at least fifteen days' notice enter on and lease teh Property or on default of payment for at least thirty-five days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements are not applicable, the foregoing power of sale may be exercised without notice or different notice than specified above. Notice may be effectually given by leaving it with a grown-up person on the Property if occupied, or, if unoccupied by posting it or any improvement on the Property or at the Bank's option, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county, district or regional municipality in which the Property is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. Provided further, without prejudice to the powers of the Bank under the foregoing provision, that in case default be made in any payment required to be made by the Chargor under this Charge and such default continues for two months after any payment falls due, then the Bank may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however that if the giving of notice by the Bank shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is further agreed that the whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges or expenses incurred in taking, recovering, protecting or keeping possession of the Property or enforcing the security or procuring payment of moneys secured hereby or otherwise, and that the Bank may sell the Property or any part thereof on such terms as to credit or otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Bank shall be bound to pay the Chargor only such money as have been actually received from the purchaser after satisfaction of the claims of the Bank and others entitled and for any of the said purposes may make and execute all agreements and assurances as the Bank thinks fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; the costs of any sale proceedings, whether such sale proves abortive or not, and all costs, charges and expenses incurred in inspecting the Property or in taking recovery or keeping possession of the Property or in enforcing this security or in procuring payment of the monies secured by this Charge shall be added to the Principal Amount, bear interest at the Interest Rate until paid and be a charge on the Property prior to all claims subsequent to this Charge;

(i) the Bank may distrain against the Property for arrears of interest and for any instalment in arrears and unpaid, and for any other sums of money lawfully charged against the Property;

(j) the Chargor will keep the Property in good condition and repair according to the nature and description thereof and shall refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Property; and the Bank may, whenever it deems necessary, by its surveyor, servant or agent enter upon and inspect the Property and the interior of the buildings, structures and improvements and the reasonable cost of such inspection shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and if the Chargor neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property (as to which the Bank shall be sole judge) or makes default as to any of the covenants or provisions contained in the Charge, (and without limiting the generality of the foregoing if the Chargor fails to pay realty taxes, utility accounts or insurance premiums) the whole money hereby secured shall at the option of the Bank forthwith become due and payable, and all powers contained in this Charge may be exercised at the option of the Bank; and the Bank may pay the taxes, utility accounts or insurance premiums and may make such repairs as it deems necessary, and the costs of making such repairs or the amount so paid as the case may be, shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and

(k) the Chargor shall pay as and when due all monies payable under charges in priority to this Charge and observe and perform all the terms, provisions, convenants and conditions in such prior encumbrances; and the Chargor will duly pay all rates, taxes (including municipal taxes, amounts that are deemed to be taxes, school taxes and local improvement rates) levies and assessments whatsoever affecting the Property, all utility accounts and a premiums for insurance effected pursuant to this Charge; and within thirty days after the end of each calendar yea the Chargor will produce to and leave with the Bank, the duly receipted realty tax bills and utility service bills confirming payment in full relating to the Property for the previous calendar year;

(l) the Chargor shall comply with all laws, by-laws and regulations affecting the Property of any governmental authority or agent having jurisdiction including all Requirements of Environmental Law and at the Chargor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effec any requirement or change in use that may be required from time to time to effect such compliance. Withou limiting the foregoing, the Bank or its agent may from time to time enter upon the Property and inspect the same and make such repairs and conduct such environmental audits or site assessments, surveys and tests, (includin taking soil, ground water or other samples), as the Bank deems necessary without thereby being deemed mortgagee in possession and the reasonable cost of these shall be added to the Principal Amount and be secured by this Charge and shall be a charge on the Property;

(m) the Chargor shall notify the Bank promptly of any event or occurrence that will, or is likely to, give rise to a report, inquiry or investigation relating to a matter that may have a material adverse effect on the Chargor or the Property, or any action, suit or proceeding against the Chargor or others having an interest in the Property relating to, or a violation of, the Requirements of Environmental Law;

(n) the Chargor shall provide to the Bank upon request such information, certificates, or statutory declarations as to, and shall conduct such environmental audits or site assessments as may be reasonably necessary to ensure, the compliance with all Requirements of Environmental Law;

(o) the Chargor shall execute all consents, authorizations and directions that are required to permit any inspection or review of the Property and the activities carried out thereon and hereby consents to the release to the Bank, or its representatives, of information relating to the Property and the activities carried out thereon and compliance by the Chargor and others having an interest in the Property with all Requirements of Environmental Law;

(p) if the Property is a condominium unit or units and its or their appurtenant common interest then:

   (i) subsection 10 (g) does not apply to the extent only that the Condominium Corporation maintains insurance that the Chargor would otherwise be responsible to obtain and maintain under that subsection, for so long as the Condominium continues in existence;

   (ii) the Chargor agrees to comply with all of the terms imposed by the Condominium Act as amended from time to time, the declaration of the Condominium, the by-laws and rules of the Condominium Corporation, all as amended from time to time.

   (iii) the Chargor agrees to pay contributions to the common expenses of Condominium Corporation as they fall due and in default of so doing, the Bank may at its option pay these contributions and such amounts will be added to the debt secured by the Charge, be a charge against the Property and be immediately due and payable by the Chargor;

   (iv) the Chargor authorizes and empowers the Bank to exercise its right as an owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that until the Bank gives notice in writing to the Chargor and to the Condominium Corporation, the Chargor may exercise the right to vote and to consent. The Bank is not under any obligation to vote or consent or protect the Chargor's interest and the exercise by the Bank of the right to vote or consent will not constitute the Bank a mortgagee in possession of the Property; and

   (v) the Chargor hereby assigns to the Bank the proceeds of all insurance money that may be payable to the Chargor by the insurance trustee for the Condominium Corporation or otherwise.

11. The Chargor and the Bank agree that:

(a) if the Chargor is in default of any payment of monies hereunder and in particular of any premium of insurance or any taxes, rates, levies or assessments which shall from time to time fall due with respect to the Property to be paid by the Chargor under the provisions of this Charge, or if there is any lien or other encumbrance affecting the Property to which the Bank has not consented in writing the Bank may pay the whole or any part of such amounts, though the Bank is not obligated to do so, and the amount so paid by the Bank together with all costs, charges, legal fees and expenses incurred in connection therewith shall be added to the Principal Amount hereby secured, be a charge on the property, bear interest at the Interest Rate, and be payable to the Bank forthwith, and in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; and the Bank may also pay or satisfy any lien, charge or encumbrance now existing or hereafter created upon the Property and any amount so paid shall be repaid in accordance with this sub-section; and if the Bank pays or satisfies such charge, lien or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid off, and it may retain any discharge thereof without registration for so long as it thinks fit;

(b) the Chargor shall pay to the Bank upon request all fees, charges, expenses and disbursements of the Bank (including all legal costs of the Bank on a solicitor and his client basis) incidental to:

(i) the negotiating of the loan contemplated in this Charge, investigating title, preparing, executing and registering this Charge and other necessary documents and any renewal, amendment or discharge of this Charge,

(ii) all proceedings taken by the Bank to enforce this Charge or the remedies under it, whether or not any legal action has taken place, and

(iii) generally in any other proceedings taken in connection with or to realize or protect the Property or this security.

In the event of non-payment of the said costs, expenses and charges within thirty days of the request, the amount thereof shall be added to the Principal Amount hereby secured, bear interest at the Interest Rate until paid and be payable to the Bank forthwith and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge or existing at law, in equity or otherwise shall become exercisable;

(c) if the Chargor is in default in the payment of any of the Monthly Instalments or of any part thereof, or in the payment of any other sum of money secured by this Charge, or in the performance or observance of any covenant, agreement, proviso or condition herein contained, or in any other written agreement between the Chargor and the Bank (including without limitation the commitment letter or facility letter relating to this loan if any), on the part of the Chargor to be performed or observed, or in failing to pay on the Balance Due Date any amount then outstanding, then in such case the Principal Amount and all interest shall, at the option of the Bank become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; provided that the Bank may in writing at any time or times after default waive such default, and upon such waiver the time or times for payment of the Principal Amount and interest shall be as set out in the repayment provisions in this Charge. Such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default;

(d) no extension of time for the doing of anything required by this Charge, which shall have been given by the Bank to the Chargor, his successors or assigns shall affect or postpone any of the rights of the Bank, either against the Chargor or any other person liable for the payment of the money hereby secured and the Chargor and such other person shall continue to be liable for the repayment of the Principal Amount with interest; the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest despite the fact that there may be subsequent encumbrancers and it shall not be necessary to obtain the consent of any subsequent encumbrancer to the renewal or increase in interest rate or to register any such agreement in order to retain priority for the charge so altered over any instrument registered subsequently to the Charge. Nothing contained in this subparagraph 11 (d) confers any right of renewal or extension upon the Chargor;

(e) until this Charge has been discharged, the Chargor will not transfer or sell or lease or enter into any agreement for sale of the whole or any part of the Property or the Chargor's interest therein without first obtaining the written consent of the Bank and, should the Chargor do so, the whole money hereby secured shall, at the option of the Bank, forthwith become due and payable; the Bank may withhold its consent contemplated in this sub-section in its absolute discretion for any reason whatsoever notwithstanding any rule of law or equity to the contrary. The Chargor shall also pay to the Bank a further sum by way of liquidated damages equivalent to six months' interest at the Interest Rate on the Principal Amount then outstanding, to compensate the Bank for its expenses in reinvesting the money so falling due. If the Bank does consent to the transfer or sale, the Chargor shall deliver a copy of the transfer or other document by which the sale or transfer took place as well as an accepted transfer of the insurance policy or new insurance policy showing the transferee as owner, always in compliance with the requirements for insurance set out in this Charge. Notwithstanding the transfer and sale and assumption of the Charge by the transferee from time to time, and notwithstanding dealings between the Bank and any subsequent owner including any extension of time for payment given, the Chargor shall continue to be bound by the provisions hereof and remain liable for repayment of the Principal Amount with interest at the Interest Rate both before and after default and both before and after maturity until paid. If the Chargor is a corporation, a change in control of the Chargor shall be deemed to constitute a transfer of the Property. A change in control of a corporate Chargor shall be deemed to occur if there is a sale, assignment, amalgamation or other transfer of the existing beneficial ownership of more than 50 percent of the voting shares of the Chargor or of any other corporation which directly or indirectly owns more than 50 percent of such shares or controls the corporation;

(f) neither the preparation, execution nor registration of this Charge, nor the advance in part of the moneys secured hereby, shall bind the Bank to advance the said moneys or any unadvanced portion thereof but nevertheless this Charge shall take effect forthwith upon execution of the Form 2 relating to the loan contemplated hereby by the Chargor and the legal and other costs (including consultant's fees, if any) incurred by the Bank in connection with the loan and this charge are added to the Principal Amount and secured hereby;

(g) any notice shall be deemed to be served on the Chargor if:

(i) left with a grown up person on the Property if occupied or if unoccupied, by posting it on any improvement forming part of the Property; or at the Bank's option

(ii) published once in a newspaper circulated in the county, district or regional municipality in which the Property is situate; or at the Bank's option

(iii) mailed, by registered letter, addressed to the Chargor at his last known address in which case it shall be deemed to have been received on the fourth day after mailing, even if the Chargor does not actually receive it;

Such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability.

(h) the taking of a judgment or judgments on any of the agreements or covenants in this Charge shall not operate as a merger of any agreement, agreements, covenant or covenants in the Charge nor affect the Bank's right to interest at the rate and times herein provided; and further, any such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied;

(i) if the Bank incurs any cost or expense arising from or relating to the Ontario New Home Warranties Plan Act as amended from time to time or the regulations thereunder including (without limiting the generality of the foregoing) any cost or expense relating to registration as a vendor under that act or enroling the Property or entering into an agreement or agreements relating to performance of warranty obligations, or performing any warranty, obligation, and all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(j) if the Bank incurs any cost or expense arising from or relating to the Requirements of Environmental Law, whether such cost or expense was incurred as a result of an order or direction of a court or governmental authority or otherwise, all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(k) the Bank may at its discretion and subject to the provisions of the **Planning Act**, release any part or parts of the Property or any other security or any surety for the debt secured by the Charge either with or without consideration therefor, without responsibility therefore and without thereby releasing any other part of the Property or any person or other surety from the Charge or from any covenant contained or incorporated in the Charge without being accountable to the Chargor for the value thereof or for any money other than that actually received by the Bank, it being expressly agreed that every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the debt secured by the Charge. No person shall have any right to require the monies secured hereby to be apportioned upon or in respect of any part or parts of the Property and the Bank may from time to time discharge any part or parts, lot or lots of the Property for such consideration as it thinks proper or without consideration if it sees fit, and no such discharge shall diminish or prejudice this security as against that part or those parts of the property remaining undischarged or against any person whomsoever.

12. (a) The Chargor agrees with the Bank to provide forthwith at the Chargor's own expense such additional security, information, documentation and assurances as may be required from time to time by the Bank during the currency of this Charge, to determine, establish and preserve in all respects, the priority of this Charge and all advances made hereunder over any rights of lien claimants pursuant to the provisions of the Construction Lien Act, 1983 (Ontario) as amended from time to time. The Chargor further covenants and agrees with the Bank that if the Bank makes any payment in connection with the determination, establishment or preservation of the priority of this Charge and all advances hereunder, whether such payment is made to a lien claimant or other person claiming an interest in the Property or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be payable to the Bank by the Chargor, be a charge on the Property in priority to all encumbrances subsequent to this Charge, be added to the Principal Amount, bear interest at the Interest Rate and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable.

(b) It is further agreed that the Bank shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this section 12 or in making any payment to preserve, protect or secure the Property.

13. The Chargor further agrees with the Bank that forthwith after any change or happening affecting the Property or the Chargor including but not limited to any of the following, namely

(a) the spousal status of the Chargor,

(b) the qualification of the Property as a matrimonial home within the meaning of the Family Law Act, 1986, as amended from time to time or similar legislation in effect from time to time, or

(c) the ownership of the Property

the Chargor will forthwith advise the Bank in writing accordingly and will forthwith provide the Bank with full particulars thereof so that the Bank is kept fully informed of the names and addresses of the owner or owners from time to time of the Property and of any spouse who is not an owner but who has rights in the Property by virtue of any family law legislation in effect from time to time. The Chargor covenants and agrees to provide the Bank with such evidence in connection with any of (a), (b) and (c) above or any other matter as the Bank may from time to time request. Nothing in this section 13 shall be construed to permit a contravention of section 11 (e) of this Charge.

14. In consideration of the Bank entering into this Charge and loaning money or money's worth to the Chargor, and of other valuable consideration, (the receipt whereof is hereby acknowledged) the Guarantor covenants and agrees for himself, his heirs, executors, administrators and successors as the case may be, with the Bank that:

(a) throughout the term of this Charge and any extension or extensions of the time for payment, the Chargor will duly pay the Principal Amount and interest at the Interest Rate and all moneys at any time secured by this Charge on the day and times required by this Charge and will duly perform and observe all covenants, agreements and provisos in this Charge;

(b) if default be made in payment of the Principal Amount or interest or any other payment required to be made according to the terms hereof, the Guarantor shall forthwith upon-demand pay to the Bank the amount in default together with interest at the Interest Rate;

(c) the Guarantor shall be considered as primarily liable to the Bank in the same manner and to the same extent as if he had executed this Charge as Chargor and shall not be released nor shall the liability hereunder of the Guarantor be limited, lessened or discharged by any variation in or departure from the provisions of this Charge nor by the Bank granting time or other indulgence to the Chargor, assigning this Charge, taking or giving up securities, accepting proposals, granting releases or discharges or otherwise dealing with the Property or the parties hereto or any of them or with any other person or persons or by the release of the Chargor in any creditor, receivership, bankruptcy or other proceedings or by any other thing whatsoever either of a like nature to the foregoing or otherwise whereby as surety only the Guarantor would or might be released;

(d) the Bank shall not be bound to exhaust its recourse against the Chargor or against any other person or persons before enforcing its rights against the Guarantor;

(e) if this Charge is assigned by the Bank, the benefits of the above covenants and guarantee may be assigned with it;

(f) the Guarantor hereby waives all notices of non -performance, non-payment and non-observance on the part of the Chargor of the covenants, agreements and provisions in this Charge;

(g) the terms of this Charge, including this guarantee, shall be interpreted in accordance with the laws of Ontario and the Guarantor attorns to the jurisdiction of the courts of Ontario and agrees that any action that may be brought against him pursuant to this guarantee may be brought in Ontario;

(h) if there is more than one Guarantor or in the event that any Guarantor is a female party or a corporation the provisions of this guarantee section shall be read with all grammatical changes thereby rendered necessary and all covenants of the Guarantor shall be deemed to be joint and several and each Guarantor agrees with the Bank to be jointly and severally liable under this guarantee with the other Guarantors and the Chargor.

The Guarantor acknowledges having read this Charge and is fully aware of its terms and, in particular, the terms of this guarantee.

15. This Charge and everything contained in this Charge shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of each and every one of the parties hereto and words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include females and corporations and the provisions hereof shall be read with all grammatical changes thereby rendered necessary. If there is more than one Chargor all covenants shall be deemed to be joint and several. Each obligation of the Chargor expressed in this Charge, even though not expressed as a covenant, is considered for all purposes to be a covenant of the Chargor.

16. If any of the forms of words contained in this Charge are also contained in Column One of Schedule B of the Short Forms of Mortgages Act R.S.O. 1980 c.474, as amended and/or restated from time to time and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said act distinguished by the same number, and, to the extent permitted by law, this Charge shall be interpreted as if the Short Forms of Mortgages Act still applied to this Charge. If any such forms of words or any other terms of this Charge are inconsistent with any of the covenants provided for in Section 7 of the Act, any such covenant so provided for in the Act, to the extent that it is so inconsistent, is expressly excluded from the terms of this Charge.

17. If any term, covenant or condition of this Charge is to any extent, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the remainder of this Charge shall not be affected thereby and each term, covenant and condition of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

DATED the 16th day of January, 2002.

IntesaBci Canada
by its solicitors,
Fasken Martineau LLP
by:

Paul R. King

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200203 Coto

CLAUSES TYPES DE CHARGE
Filing No. 200204 Cote
Filing Date Jan. 23 2002 Date de Dépôt
Page 1 of/de Eight (8) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS
(Collateral Charge)

Filed By: IntesaBci Canada

Filing Date: Jan. 23, 2002
Filing Number: 200204

1. This set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act, 1984, as amended (the "Act").

2. Unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings in this Charge:

   (a) "Agreement" means the agreement between the Bank and the Chargor setting out the arrangement between them or if this Charge is given as collateral security for a guarantee by the Chargor of another's debt (the "guarantee");

   (b) "Bank" means IntesaBci Canada and its successors and assigns;

   (c) "Charge" means
      (i) Form 2, together with;

      (ii) this set of Standard Charge Terms;

   (d) "Chargee" means the Bank;

   (e) "Chargor" means the person who signs or the persons who sign Form 2 as Chargor or Chargors and the heirs, executors, administrators, successors and assigns of that Chargor or of each of those Chargors;

   (f) "Form 2" means any Form 2 prescribed by the regulations made under the Act in which this set of standard charge terms is referred to by its filing number as provided by Section 9 of the Act together with all schedules and appendices thereto;

   (g) "Indebtedness" means all money and liabilities owing by the Chargor to the Bank from time to time including all debts or liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred by the Chargor, as principal or surety, whether alone or jointly with any other person or persons, in whatever name, style or firm, whether otherwise secured or not and whether arising from dealings between the Chargee and the Chargor or from dealings between the Chargee and the Chargor or from dealings or proceedings by which the Bank may become a creditor of the Chargor including, without limitation,

      (i) all moneys owing pursuant to any promissory note;

      (ii) all moneys advanced under any kind of account whether made prior to or at the time of execution of this Charge or at any time in the future;

      (iii) all advances made upon lines of credit, letters of guarantee, letters of credit, banker's acceptances, or any other commercial paper, upon overdrawn accounts or upon bills of exchange, or other obligations discounted for the Chargor, and other obligations negotiable or otherwise representing money and liabilities, or any portion thereof, now or hereafter owing or incurred from or by the Chargor or advances made now or at any time or times in the future by the Bank to the Chargor;

      (iv) all interest, damages, costs, charges or expenses which may become due or payable to the Bank or which may be paid or incurred by the Bank in respect of any moneys or liabilities secured hereby or any portion thereof;

      (v) all insurance premiums in respect of the buildings, structures, fixtures, and improvements, forming part of the Property, taxes, utility charges, and all amounts now or hereafter paid by the Bank to realize upon or to protect its interest in the Property or to collect the Indebtedness; and

      (vi) the amount owing from time to time under any guarantee given by the Chargor to the Bank for the indebtedness of another;

   together with interest thereon and with interest on overdue interest both before and after default and both before and after maturity or demand or judgment at the Interest Rate;

   (h) "Interest Rate" means the rate of interest stipulated in Form 2 which is chargeable on the Indebtedness and is calculated and payable both before and after default and both before and after maturity or demand or judgment;

   (i) "Prime Rate" means the rate of interest per annum which the Bank announces from time to time at its principal office in the City of Toronto as its prime lending rate for loans made in Canadian funds; and

   (j) "Property" means the land described in Form 2 together with all buildings, structures, fixtures and improvements built upon or made to the said land from time to time and all appurtenances thereto.

(k) Requirements of Environmental Law means all requirements of the common law or of statutes, regulations, b laws, ordinances, treaties, judgments and decrees, and (whether or not they have the force of law) rules, policie guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional municipal or local judicial, regulatory or administrative agency, board or governmental authority relating environmental or occupational health and safety matters and the Property and the activities carried out thereo (whether in the past, present or the future) including, but not limited to, all such requirements relating to: **(i)** the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (ii) the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous o liquid waste; and **(iii)** substances or conditions that are prohibited, controlled or otherwise regulated such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials polychlorinated biphenyl's ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

3. In consideration of the Bank dealing with the Chargor whether as principal or as guarantor and of the sum of ON ($1.00) DOLLAR now paid by the Bank to the Chargor (the receipt and sufficiency of which consideration are hereby acknowledged by the Chargor), the Chargor charges to the Bank the Property as continuing collateral security to th Bank for the payment of the Indebtedness, and taxes and performance of statute labour, and observance of a agreements and terms in this Charge and the fulfilment of all other obligations of the Chargor to the Bank whether present or future, direct or indirect, absolute or contingent whether pursuant to a guarantee or not and all renewals and substitutions therefor, and all bills of exchange, promissory notes, cheques and other instruments whatsoever in anywa representing or securing the same and all future bills, notes, instruments which may at any time hereafter be given o taken in renewal of or substitution for, in whole or in part together with all costs, charges and expenses of the Bank in connection therewith.

4. This Charge shall operate until the Indebtedness is paid as and when it becomes due and payable and (despite Section 6 (2) of the Act) shall not cease to operate although the Chargor may not be indebted to the Bank at any particular time and although there has been no demand made of the Chargor and despite fulfilment from time to time in whole or i part of any obligation to the Bank of the Chargor, and despite any change in the nature or form of the Indebtedness or the bills, notes or other documentation representing the same, and despite any increase or reduction in the amount of the Indebtedness from time to time but shall remain in full force and effect and shall only cease to operate upon delivery by the Bank of a written discharge and shall not be deemed to have been repaid by reason only that any Indebtedness owed by the Chargor to the Bank has been repaid or that the Chargor's account ceases to be in a debit position, or although there has been no demand made of the Chargor. This security shall not be reduced, revoked or otherwise affected by reason of any payment to the Bank by the Chargor or another, whether directly or by way of receipt of insurance proceeds or rents or otherwise.

5. The maximum aggregate principal amount secured by this Charge is that amount set out in boxes 4 and 9 (a) of Form 2 and the Interest Rate chargeable thereon is the rate per annum stated in Form 2 and is calculated not in advance, both before and after default and both before and after maturity, demand or judgment. If default is made in payment of any sum to become due for interest, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity demand or judgment shall bear interest at the Interest Rate. If the interest and compound interest are not paid within the interest calculation period from the time of default, a rest shall be made and compound interest at the Interest Rate shall be payable on the aggregate amount then due as well after as before maturity, demand and judgment, and so on from time to time and all such interest and compound interest shall be a charge on the Property.

6. This Charge is in addition to and not in substitution for any other security for the Indebtedness now or hereafter held by the Bank, and the Bank may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with third persons or other securities as the Bank may see fit without prejudice to the liability of the Chargor or to the rights of the Bank in respect of this Charge. The Charge shall not in any way prejudicially affect any document evidencing security held or which may hereafter be held by the Chargee for the Indebtedness or any part thereof, nor shall this Charge affect or delay the remedies of the Chargee in respect of such other security or evidentiary documentation.

7. Notwithstanding the form in which the accounts of the Bank with the Chargor may be kept from time to time, the Chargor agrees that the existing Indebtedness of the Chargor to the Bank as well as all future Indebtedness, no matter upon what account shown or appearing in the books of the Bank and whether secured by specific security under the Bank Act or otherwise, shall be treated as secured hereby, and that the existing Indebtedness shall be treated as continuing notwithstanding new transactions between the Bank and the Chargor (and if this Charge is collateral security for a guarantee, despite new transactions between the Bank and the customer (the "Customer") of the Bank whose indebtedness is guaranteed) including but not limited to fresh loans or discounts or advances or the deposit of money by the Chargor (or the Customer) or drawing of cheques against the account of the Chargor (or the Customer) or the renewal of such cheques or by money being charged to the said account or being paid by the parties or otherwise or by the payment of any of the bills, notes or other instruments held as security or by which the Indebtedness is now or may hereafter in whole or in part be represented or by the covering of overdrafts, the intention of the parties being that all fresh debit and credit items on the Chargor's account or accounts are to be applied and dealt with in such a way that the Indebtedness shall remain undischarged no matter upon what account or by what bills, notes or other obligations the said total Indebtedness may be represented.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200204 Coto

8. The Bank shall have the right at any time to appropriate any payment made to any portion of the Indebtedness whether the same be represented by open account, overdraft or by any bill, note or other instrument and whether then due or to become due, and may from time to time revoke or alter such appropriation and appropriate payments to any other portion of the Indebtedness as in its sole and uncontrolled discretion it may see fit.

9. All payments to be made to the Bank pursuant to this Charge or the Agreement shall be paid to the Bank at its head office in Toronto or otherwise as the Bank may from time to time in writing direct. Payments to the Bank shall only be made between the hours of 9:00 a.m. and 3:00 p.m. on days on which the Bank is open for business and shall be payable at par in Canadian funds. The Chargor agrees that any payment received by the Bank after 3:00 p.m. shall be deemed to have been received on the first day next following on which the Bank is open for business and interest at the Interest Rate shall be charged and paid accordingly.

10. The Chargor agrees with the Bank that:

(a) the Chargor will on demand pay to the Bank the Indebtedness including interest in the manner provided by this Charge or by the Agreement and will observe and perform the covenants contained herein and in the agreement;

(b) so long as this Charge has not been discharged, the Chargor will pay all taxes, rates, assessments and local improvement charges chargeable against the Property and all utility accounts affecting the Property and all other charges having priority over this Charge when they become due and payable and, within thirty (30) days following the end of every calendar year, shall produce to and leave with the Bank the duly receipted realty tax bills and utility service bills confirming payment in full as they relate to the Property for the previous calendar year evidencing payment in full or other evidence satisfactory to the Bank that such payments have been made in full;

(c) the Chargor has good title in fee simple to the Property;

(d) the Chargor has the right to make this Charge;

(e) on default the Bank shall have quiet possession of the Property free from all encumbrances except those disclosed at the date of this Charge by the records of the Land Registry Office and as agreed to by the Bank;

(f) the Chargor will execute such further assurances of the Property as may be requisite;

(g) the Chargor has done no act to encumber the Property except as the records of the Land Registry Office disclose; The Chargor shall not without the Bank's prior written approval charge or encumber the Property or any part thereof or interest therein or permit any lien or charge therein except a charge for current municipal taxes.

(h) the Chargor will insure and keep insured the buildings, structures and improvements forming part of the Property to the amount in lawful money of Canada of their full replacement value on an all risks basis, in a policy with such insurer as may be acceptable to the Bank and containing no coinsurance clause, but containing a by-law endorsement and a mortgagee's clause in the form approved by the Insurance Bureau of Canada naming the Bank as the first loss payee or otherwise as its interest may appear; and the Chargor will at least fifteen days prior to expiry or cancellation of the policy, deliver to the Bank acceptable evidence of renewal or replacement thereof; and without prejudice to the foregoing covenant of the Chargor, it is further agreed that the Bank may require any insurance of the said buildings, structures and improvements to be cancelled and a new insurance policy effected with an insurance company to be named by the Bank and may effect or maintain such insurance in its name as it considers appropriate and any amount paid by the Bank therefor shall be forthwith payable to the Bank by the Chargor with interest at the Interest Rate, shall be added to the Indebtedness and be a charge upon the Property; in the event of a loss, the Chargor shall (i) immediately notify the Bank which shall have the right at its discretion to apply the proceeds of any policy to reduce the Indebtedness or to pay the cost of repairs or reconstruction; and (ii) furnish at his own expense all necessary proofs and do all things necessary to enable the Bank to obtain payment of the insurance proceeds and the production of this Charge shall be sufficient authority for the insurer to pay such proceeds to the Bank and the insurer is hereby directed to pay the same to the Bank;

(i) the Chargor will pay to the Bank upon request all costs, fees, charges, expenses and disbursements of the Bank (including all legal fees on a solicitor and his own client basis) incidental to:

  (i) the negotiating of the loan contemplated by the Agreement, investigating title, preparing, executing the Agreement and this Charge and registering the Form 2 related to this Charge and other necessary documents, and any renewal, amendment or discharge of this Charge, the Agreement or other security,

  (ii) all proceedings taken by the Bank to enforce this Charge or the remedies under it, whether or not any legal action has taken place, and

  (iii) generally in any other proceedings taken in connection with or to protect or realize the Property or this security.

In the event of non-payment of the said costs, fees, charges, expenses, and disbursements within thirty days of the request being made, the amount thereof shall be added to the Indebtedness, bear interest at the Interest Rate, be a charge on the Property and be payable to the Bank forthwith and, in default of payment, the total Indebtedness shall, at the option of the Bank, become due and payable and the powers and remedies contained in this Charge, or existing at law, in equity or otherwise shall be exercisable;

(j) the Chargor will keep the Property in good condition and repair according to the nature and description thereof and shall refrain from committing waste or from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Property; and the Bank may, whenever it deems necessary, by its surveyor, servant or agent, enter upon and inspect the Property and the interior of the buildings, structures, fixtures and improvements forming part thereof and the reasonable cost of such inspection or inspections shall be added to the Indebtedness and shall be a charge on the Property prior to all claims subsequent to the Charge and be payable with interest at the Interest Rate until paid; and if the Chargor neglects to keep the Property in good condition and repair or commits or permits any act of waste on the Property (as to which the Bank shall be the sole judge) or defaults as to any of the covenants or provisos contained in this Charge (and without limiting the generality of the foregoing if the Chargor fails to pay realty taxes, utility accounts or insurance premiums) the Indebtedness shall, at the option of the Bank, forthwith become due and payable and all powers contained in this Charge, existing at law, in equity or otherwise, may be exercised at the option of the Bank; the Bank may pay the taxes, utility accounts or insurance premiums or make such repairs to the buildings, structures, fixtures and improvements forming part of the Property as it deems necessary, and the costs of making such repairs or the amounts so paid as the case may be shall be added to the Indebtedness, be payable forthwith, bear interest at the Interest Rate, and be a charge on the Property prior to all claims subsequent to this Charge;

(k) upon the Chargor's default of payment pursuant to this Charge or the Agreement or in the event of the Chargor's default in the performance of any of the terms and conditions hereof the Bank may immediately enter into and take possession of the Property free from all manner of former conveyances, mortgages, charges or encumbrances without let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever and also on default of payment for at least fifteen days, the Bank may on fifteen days' notice, provided that such default has not been remedied within that time, enter on and lease the Property, or on default of payment for fifteen days, may on thirty-five days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act, as amended from time to time. If such notice is not required by law or to the extent that the above requirements are not applicable, the foregoing power of sale may be exercised without notice or with less or different notice than that specified above. Any notice to be given under this Charge may be effectually given by leaving it with a grown-up person on the Property if occupied or, if unoccupied, by posting it on any improvement on the Property, or at the Bank's option, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county, district or regional municipality in which the Property is situated; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. Without prejudice to the powers of the Bank under the foregoing provision, if default is made with respect to any payment required to be made by the Chargor under this Charge or the Agreement and such default continues for two (2) months, then the Bank may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, but if the giving of notice by the Bank is required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. The whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other and the proceeds of any sale hereunder may be applied in payment of any costs, charges or expenses incurred in obtaining payment of the Indebtedness or in taking, recovering, protecting or keeping possession of the Property or enforcing the security, or incurred in procuring payment of the Indebtedness and the Bank may sell the Property or any part thereof on such terms as to credit or otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Bank shall be bound to pay the Chargor only such money as have been actually received from the purchaser after satisfaction of the claims of the Bank and others entitled and for any of the said purposes the Bank may make and execute all agreements and assurances as it thinks fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice of publication when required hereby shall invalidate any sale or lease hereunder;

(l) the costs of any sale proceedings, whether such sale proves abortive or not, and all costs, charges and expenses incurred in inspecting the Property or in taking, recovering or keeping possession of the Property, or in enforcing this security or in procuring payment of the Indebtedness shall be added to the Indebtedness, bear interest at the Interest Rate until paid, and be a charge on the Property prior to all claims subsequent to this Charge;

(m) the Bank may distrain for arrears of interest or for any portion of the Indebtedness in arrears and unpaid, and for any other sums of money lawfully charged against the Property;

(n) the Chargor shall pay as and when due all premiums for insurance and all money payable under charges in priority to this Charge (and observe and perform all the terms, provisos, covenants and conditions in such prior encumbrances) and will duly pay all rates, taxes, (including municipal taxes, amounts that are deemed to be taxes, school taxes, local improvement rates) levies and assessments affecting the Property, all utility accounts, and all premiums for insurance effected pursuant to this Charge shall keep the Property free of any lien and, unless the Chargor obtains the written consent of the Bank the Chargor shall not create or allow to be created any other charge or encumbrance on the Property;

(o) if the Chargor is in default of any payment of money hereunder or under the Agreement and in particular of any premium of insurance or the cost of inspections or repairs or any taxes, rates, levies or assessments utility or heating charges which shall from time to time fall due with respect to the Property or if there is any lien or other encumbrance affecting the Property to which the Bank has not consented in writing, the Bank may, at its option, pay the cost of inspection or repairs, premium of insurance, taxes, rates, levies, assessments, utility or heating charges or any amount which may be required to free the title to the Property from a lien and/or encumbrance. The Bank may pay the whole or any part of such amounts, (though the Bank is not obligated to do so) and the amount so paid by the Bank together with all costs, charges, legal fees and expenses included in connection therewith shall be added to the Indebtedness, be a charge on the Property prior to all claims subsequent to this Charge, bear interest at the Interest Rate until paid, and be payable to the Bank forthwith and in default of payment, the Indebtedness shall, at the option of the Bank, become due and payable and the powers of sale contained in this Charge, the remedies existing at law, in equity or otherwise shall become exercisable; and the Bank may also pay or satisfy any lien, charge or encumbrance now existing or hereafter created upon the Property and any amounts so paid shall be repaid in accordance with this sub-section and if the Bank pays or satisfies such charge, lien or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid off, and it may retain any discharge thereof without registration for so long as it thinks fit;

(p) The Chargor shall comply with all laws, by-laws and regulations affecting the Property of any governmental authority or agent having jurisdiction including all Requirements of Environmental Law and at the Chargor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any requirement or change in use that may be required from time to time to effect such compliance. Without limiting the foregoing, the Bank or its agent may from time to time enter upon the Property and inspect the same and make such repairs and conduct such environmental audits or site assessments, surveys and tests (including taking soil, ground water or other samples), as the Bank deems necessary without thereby being deemed a mortgagee in possession and the reasonable cost of those shall be added to the Indebtedness and be secured by the Charge and shall be a charge on the Property and shall bear interest at the Interest Rate until paid;

(q) the Chargor shall notify the Bank promptly of any event or occurrence that will, or is likely to give rise to a report, inquiry or investigation relating to a matter that may have a material adverse effect on the Chargor or the Property, or any action, suit or proceeding against the Chargor or others having an interest in the Property relating to, or a violation of the Requirements of Environmental Law;

(r) the Chargor shall provide to the Bank upon request such information, certificates, or statutory declarations as to, and shall conduct such environmental audits or site assessments as may be reasonably necessary to ensure, the compliance with all Requirements of Environmental- Law;

(s) the Chargor shall execute all consents, authorizations and directions that are required to permit any inspection or review of the Property and the activities carried out thereon and hereby consents to the release to the Bank, or its representatives, of information relating to the Property and the activities carried out thereon and compliance by the Chargor and others having an interest in the Property with all Requirements of Environmental Law;

(t) if the Property is a condominium unit or units and its or their appurtenant common interest then:

  (i) subsection 10 (h) does not apply to the extent only that the Condominium Corporation maintains insurance that the Chargor would otherwise be responsible to obtain and maintain under that subsection, for so long as the Condominium continues in existence;

  (ii) the Chargor agrees to comply with all of the terms imposed by the Condominium Act as amended from time to time, the declaration of the Condominium, the by-laws and rules of the Condominium Corporation, all as amended from time to time. Any contravention of those terms will constitute a contravention and default under the Charge;

  (iii) the Chargor agrees to pay contributions to the common expenses of Condominium Corporation as they fall due and in default of so doing, the Bank may at its option pay these contributions and such amounts will be added to the debt secured by the Charge, be a charge against the Property and be immediately due and payable by the Chargor;

  (iv) the Chargor authorizes and empowers the Bank to exercise its right as an owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that until the Bank gives notice in writing to the Chargor and to the Condominium Corporation, the Chargor may exercise the right to vote and to consent. The Bank is not under any obligation to vote or consent or protect the Chargor's interest and the exercise by the Bank of the right to vote or consent will not constitute the Bank a mortgagee in possession of the Property; and

  (v) the Chargor hereby assigns to the Bank the proceeds of all insurance money that may be payable to the Chargor by the insurance trustee for the Condominium Corporation or otherwise.

(u) If the Bank incurs any cost or expense arising from or relating to the Ontario New Home Warranties Plan Act as amended from time to time or the regulations thereunder including (without limiting the generality of the foregoing), any cost or expense relating to registration as a vendor under that act or enroling the Property or entering into any agreement or agreements relating to the performance of warranty obligations, or performing any warranty, obligation and all such costs and expenses shall be added to the Indebtedness and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200204 Cote

(v) without prejudice to its other rights, privileges and remedies, the Bank may at any time and from time to time when there shall be default under this Charge, the Bank may, at such time and from time to time and with or witho entry into possession of the Property, or any part thereof, forthwith appoint or apply to the court and obtain t appointment of any person or persons whether an officer or an employee of the Bank or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of t Property, or any part thereof, and of the rents and profits thereof, and may remove any receiver and appo another in its stead, and that, in making such appointment or removal, the Bank shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon t appointment of any such receiver the following provisions shall apply:

(i) every such receiver shall have unlimited access to the Property (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to deal with all aspects of the Property a its management and development including full power and unlimited authority to:

1. demand, recover and collect the rents and profits from tenancies whether created before or after this Charge;

2. rent any portion of the Property which may become vacant on such terms and conditions as it considers advisable and enter into and execute leases, accept surrenders and terminate leases;

3. complete development of any land and/or the construction of any building or buildings or other erections or improvements forming part of the Property left by the Chargor in an unfinished state or award the sa to others to complete; repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable; and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description and this subclause shall include the power to commence or continue any proceeding under the Planning Act (including fulfilling conditions, effecting compliance with an official plan, zoning by-law), or to commence or continue registration of the Property or part thereof as a condominium; and

4. manage, operate, repair, alter or extend the Property or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do on or in the Property.

(ii) The Bank may at its discretion vest the receiver with all or any of the rights and powers of the Bank.

(iii) The Bank may from time to time fix the remuneration of the receiver and may compensate every receiver for all disbursements properly incurred by it in carrying out the duties hereunder and the receiver shall be entitled to deduct the same out of the revenue or the sale proceeds of the Property.

(iv) The appointment of any such receiver by the Bank shall not result in or create any liability or obligation on the part of the Bank to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Bank a mortgagee in possession of the Property.

(v) No such receiver shall be liable to the Chargor to account for moneys other than moneys actually received by it in respect of the Property, or any part thereof, and out of such moneys so received every such receiver shall, in the following order, pay:

1. its remuneration aforesaid;

2. all costs and expenses of every nature and kind incurred by it in connection with the exercise of its powers powers and authority hereby conferred;

3. interest, principal and other money which may, from time to time, be or become charged upon the Property in priority to this Charge, including taxes;

4. to the Bank all interest, principal and other moneys due hereunder to be paid in such order as the Bank in its discretion shall determine; and thereafter

5. every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Property and shall bear interest from the date of demand at the Interest Rate until paid.

(vi) Save as to claims for accounting under clause (v) of this section 10 (v), the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such receiver unless such claim be the direct result of dishonesty or fraud.

(vii) The Bank may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(viii) The statutory declaration of an officer of the Bank as to default under the provisions of this Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(ix) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Bank may have.

(x) Every such receiver shall be considered the irrevocable agent or attorney of the Bank for the purpose of realizing on or disposing of the Property and shall be deemed to be the agent of the Chargor for all other purposes. In no event shall the Bank be responsible for the acts and omissions of the receiver.

11. The Bank may at its discretion and subject to the provisions of the **Planning Act**, release any part or parts of the Property or any other security or any surety for the debt secured by the Charge either with or without consideration therefor, without responsibility therefor and without thereby releasing any other part of the Property or any person or other surety from the Charge or from any covenant contained or incorporated in the Charge without being accountable to the Chargor for the value thereof or for any money other than that actually received by the Bank, it being expressly agreed that every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the Indebtedness. No person shall have any right to require the monies secured hereby to be apportioned upon or in respect of any part or parts of the Property and the Bank may from time to time discharge any part or parts, lot or lots of the Property for such consideration as it thinks proper or without consideration if it sees fit, and no such discharge shall diminish or prejudice this security as against that part or those parts of the property remaining undischarged or against any person whomsoever.

12. Neither the preparation, execution nor registration of this Charge shall bind the Bank to make loans under the Agreement, nor shall any advance bind the Bank to advance any further money, but nevertheless this Charge shall take effect forthwith upon execution by the Chargor of the Form 2 relating to the loan or guarantee as the case may be contemplated hereby and the legal and other costs (including consultant's fees, if any), incurred by the Bank in connection with the Indebtedness, the Agreement and this Charge are added to the Indebtedness and are secured hereby.

13. The Chargor agrees with the Bank to provide at the Chargor's own expense, such additional security, information, documentation and assurances as may be required from time to time by the Bank during the currency of this Charge, to determine, establish and preserve in all respects, the priority of this Charge for all advances secured hereby over any rights of lien claimants pursuant to the provisions of the Construction Lien Act, 1983 (Ontario) as amended from time to time. The Chargor further agrees with the Bank that if the Bank makes any payment in connection with the determination, establishment or preservation of the priority of this Charge or any advance secured hereby or the Agreement whether such payment is made to a lien claimant or other person claiming an interest in the Property or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall forthwith upon the request of the Bank be payable to the Bank by the Chargor and shall be a charge on the Property, shall be added to the Indebtedness bearing interest at the Interest Rate and, in default of payment, the Indebtedness and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; It is further agreed that the Bank shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this sub-section in making any payment to preserve, protect or secure the Property.

14. Until this Charge has been discharged, the Chargor will not transfer or sell or enter into any agreement for sale of the whole or any part of the Property or the Chargor's interest therein without first obtaining the consent in writing of the Bank (and the Bank may withhold its consent in its absolute discretion despite any rule of law, statute or equity to the contrary) and should the Chargor do so, the Indebtedness and other monies hereby secured shall at the option of the Bank become due and payable. If the Chargor is a corporation, a change in control of the Chargor shall be deemed to constitute a transfer of the Property. A change in control shall be deemed to occur if there is a sale, assignment, amalgamation or other transfer of the existing beneficial ownership of more than 50 percent of the voting shares of the Chargor or of any other corporation which directly or indirectly owns more than 50 percent of such shares or controls the corporation.

15. The taking of a judgment or judgments on any of the agreements or covenants in this Charge shall not operate as a merger of the said agreements nor covenants or affect the Bank's right to interest at the rate and times provided for in the Charge or the Agreement and, at the option of the Bank, any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Charge or the Agreement until the judgment shall have been fully paid and satisfied.

16. Forthwith after any change or happening affecting the Property or the Chargor including but not limited to the following,

(a) the spousal status of the Chargor,

(b) the qualification of the Property as a matrimonial home within the meaning of the Family Law Act, 1986 as amended from time to time or similar legislation in effect from time to time, or

(c) the ownership of the Property,

the Chargor agrees that he will forthwith advise the Bank accordingly in writing and will provide the Bank with full particulars thereof, so that the Bank is kept fully informed of the names and addresses of the owner or owners from time to time of the Property and of any spouse who is not an owner but who has rights in the Property by virtue of any family law legislation in effect from time to time. The Chargor covenants and agrees to furnish the Bank with such evidence in connection with any of (a), (b) and (c) above or any other matter as the Bank may from time to time request. Nothing contained in this section 16 shall be construed to permit a contravention of section 14 of this Charge.

17. This Charge and everything contained in this Charge shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of each and every one of the parties hereto and words in the plural include the singular and words importing the masculine gender include females and corporations and the provisions hereof shall be read with all grammatical changes thereby rendered necessary. If there is more than one Chargor, all covenants shall be deemed to be joint and several. Each obligation of the Chargor expressed in this Charge even though not expressed as a covenant, is considered for all purposes to be a covenant of the Chargor.

18. If any of the forms of words contained in this Charge are also contained in Column 1 of Schedule B of the Short Forms of Mortgages Act, R.S.O., 1980, c.474, as amended and/or restated from time to time and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and, to the extent permitted by law, this Charge shall be interpreted as if the Short Forms of Mortgages Act still applied to this Charge. If any such forms of words or any other terms of this Charge are inconsistent with any of the covenants provided for in Section 7 of the Act, any such covenant so provided for in the Act, to the extent that it is so inconsistent, is expressly excluded from the terms of this Charge.

19. If any term, covenant or condition of this Charge is to any extent, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the remainder of this Charge shall not be affected thereby and each term, covenant and condition of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

DATED the 16th day of January, 2002.

IntesaBci Canada
by its solicitors,
Fasken Martineau LLP
by:

Paul R. King

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200204 Coto

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Filing Date Jan. 23, 2002 Date de Dépôt
Page 1 of/de Fourteen (14) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

CIBC MORTGAGES

President's Choice FINANCIAL
services provided by Canadian Imperial Bank of Commerce

Ontario

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc.
Filing Number: 200205
Filing Date: January 23, 2002

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:
Act means the *Land Registration Reform Act, R.S.O. 1990, c.l.4*, (as amended or replaced);
borrower, you and your mean each person who signs the mortgage as chargor(s);
CMHC means Canada Mortgage and Housing Corporation;
GEMI means GE Capital Mortgage Insurance Company (Canada);
interest adjustment date means the date specified in the registered document ;
lender, we, our and us mean CIBC Mortgages Inc., as chargee;
loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;
mortgage, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;
paragraph refers to a numbered paragraph in this set of standard charge terms;
principal amount means the amount set out in the registered document;
registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;
schedule means any schedule attached to the Charge/Mortgage of Land; and
your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, " your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

(a) if you are the owner of your property, you charge your entire interest in your property to us; or

(b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date in the registered document, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. VARIABLE INTEREST RATE (Applicable only to Variable Rate Closed Mortgage, Variable Rate Mortgage and Special Variable Rate Mortgage)

(a) **Interest Rate**

At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated semi-annually not in advance and is payable on the loan amount both before and after the balance due date, default and judgment, until the loan amount has been paid in full.

(i) If you have a Variable Rate Closed Mortgage, the interest rate payable by you specified in the registered document is a floating rate which is adjusted daily as the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month of the term shall be the rate per annum equal to the mortgage prime rate in effect from time to time less 1.25% for the first six (6) months from the interest adjustment date and the mortgage prime rate in effect from time to time less 0. 25% for the remainder of the term. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage rate and the then remaining amortization period on the mortgage.

(ii) If you have a Variable Rate Mortgage , the interest rate payable by you specified in the registered document is a floating rate which is adjusted on the first day of each month. The first interest rate adjustment will not occur until three months from the interest adjustment date. The interest rate payable for each month shall be the rate per annum equal to the prime rate of Canadian Imperial Bank of Commerce in effect on the first day of such month (the "mortgage prime rate") less .375%.

(iii) If you have a Special Variable Rate Mortgage, the interest rate payable by you specified in the registered document is a floating rate which is adjusted daily as the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month of the term shall be the rate per annum equal to the mortgage prime rate in effect from time to time less 1.250% for the first six (6) months from the interest adjustment date and the mortgage prime rate in effect from time to time less 0.25% for the remainder of the term. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage rate and the then remaining amortization period on the mortgage.

(b) **How You May Determine the Interest Rate.**

The mortgage prime rate, the current mortgage rate payable and the principal and interest payment on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the mortgage prime rate, we may mail to you, at your last known address according to our records, a notice of the changed mortgage prime rate, its effective date, the current mortgage rate and the changed principal and interest payment, if applicable, calculated semi-annually not in advance. The interest rate and payment amount will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The mortgage prime rate in effect at any time is available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) **Deferred Interest**

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You may pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

6. COMPOUND INTEREST

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). You must pay this additional interest immediately when we require, both before and after the balance due date, default and judgment.

7. REPAYMENT OF LOAN AMOUNT

(a) **Currency and Place**

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) **Interest adjustment date**

(i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date. If you have a Variable Rate Closed Mortgage, Variable Rate Mortgage or a Special Variable Rate Mortgage, interest will be calculated at the lesser of the rate specified in the registered document in effect on the date of advance or the initial rate set seven days prior to the date of advance.

(ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

(c) **Regular Payments**

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

(d) **Payment Provisions on Default**

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 22.

(e) **Bank Account for Payments**

You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

(f) **Principal Balance never to exceed 105% of Original Loan Amount (Applicable only to Variable Rate Closed Mortgage, Variable Rate Mortgage and Special Variable Rate Mortgage)**

In the event that the total of the outstanding principal balance of the mortgage plus all regular and variable accrued interest thereon equals or exceeds 105% of the original balance, you shall be required to;

(i) increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage;

(ii) make a lump sum payment on account of principal plus regular and variable accrued interest in order that the resulting balance not exceed 100% of the original principal balance during the remainder of the current term; or

(iii) convert the mortgage to one having a fixed rate of interest, equal monthly payments and for any term then being offered by us for *National Housing Act*, R.S.C. 1985, C.n.11 (as amended or replaced) insured loans. There will be no charge for converting to the longer term. The rate will be the current posted rates for the appropriate term. The rate change will be effective on the first of the month following notification, in writing, of the requested modification.

(g) **Term/ Amortization (Applicable only to Variable Rate Closed Mortgage, Variable Rate Mortgage and Special Variable Rate Mortgage)**

The annual interest rate specified in your mortgage is subject to variations as set out herein. The principal and interest payment, however, is fixed during the term of the mortgage unless changed by you pursuant to the terms of your mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your principal and interest payment will no longer cover the interest portion of your mortgage owing and the amortization period of the mortgage may increase. In such a case, you may be required to increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage.

8. HOW WE APPLY YOUR PAYMENTS

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (including any deferred interest outstanding) on the principal amount accumulated to but not including the payment date; e) to satisfy the tax portion of the mortgage payment (if applicable); and f) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage, we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

9. YOUR PREPAYMENT RIGHTS (Applicable to all Mortgages)

(a) If the term of the mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act*, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.

(b) If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* and the term of the mortgage is greater than five years, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and in such case you agree to pay us, in addition to the principal and interest to the date of payment, three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.

(c) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

(d) If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights, depending on the type of mortgage you selected:

9.I CONVERTIBLE MORTGAGES

(A) If you have a Variable Rate Closed Mortgage

(i) **PREPAYMENTS:**

When not in default, you shall have the privilege of paying additional amounts of principal, without notice or bonus, on any payment date. Such additional payments must each be in a minimum amount of $100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

Any amount of prepayment made in excess of the above 20%, will be subject to an administration fee equal to the equivalent of 3 months' interest on the amount being prepaid calculated using the interest rate applicable on the date of prepayment.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the amount of your regular principal and interest payment to any amount provided that the amortization period of your mortgage is not reduced to less than five years. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the time that has elapsed since you took out the mortgage. You may increase or decrease the amount of the monthly principal and interest payment as set out above once during any 12 month period following the interest adjustment date or anniversary thereof.

(B) If you have a Variable Rate Mortgage or a Special Variable Rate Mortgage:

(i) **PREPAYMENTS:**

When not in default, you shall have the privilege of paying additional amounts of principal, without notice or bonus, on any payment date. Such additional payments must each be in a minimum amount of $100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

Any amount of prepayment made in excess of the above 20%, will be subject to an administration fee equal to the equivalent of two months' interest on the amount being prepaid calculated using the then current mortgage rate as provided herein or any renewal or amending agreement applicable thereto during the first three years. The mortgage is fully open to prepayment in years 4 and 5 with no administration fee.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the amount of your regular principal and interest payment to any amount provided that the amortization period of your mortgage is not reduced to less than five years. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the time that has elapsed since you took out the mortgage. You may increase or decrease the amount of the monthly principal and interest payment as set out above once during any 12 month period following the interest adjustment date or anniversary thereof.

(C) If you have an Auto 6 Plus, an Auto 12 Plus, a Convertible 6, or a Convertible 12 Mortgage:

(i) **SALE CLAUSE:**

The mortgage may be paid out in full at any time, upon a bona fide arm's length sale of your property with supporting documentation, upon payment of an administration fee equal to 1% of, the amount of the outstanding principal balance plus any interest or other amounts owing up to the date of discharge.

(ii) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of $100, and shall not total in excess of 20% of the original amount of the mortgage if you have an Auto 12 Plus or Convertible 12 Mortgage or 10% if you have an Auto 6 Plus or Convertible 6 Mortgage, during either the original term or during any renewal term of this mortgage.

This privilege is non-cumulative and is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, except for Auto 6 Plus and Convertible 6 Mortgage, where the amount cannot exceed 15%, once during any 12 month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12 month period following the interest adjustment date or anniversary thereof. Provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iv) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY OTHER THAN ON A SALE:**

This mortgage is closed during its original term and during each renewal term. The only prepayment of principal which will be accepted during that period are those as outlined above.

9.II FIXED RATE MORTGAGES

(A) **If you have a fixed rate term mortgage with a term of 2-years or longer (except a Basic Mortgage):**

(i) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of $100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, once during any 12-month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12 month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iii) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:**

Subject to paragraphs 9 (a) and 9 (b) above, you may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of:

- Three months' interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, on the principal amount in lieu of notice; or

- The amount, if any, by which interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option exceeds interest at the current reinvestment interest rate, calculated on the principal amount prepaid by you, for the remaining term of the mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

(B) **If you have a Basic Mortgage:**

(i) **CLOSED MORTGAGE:**

The mortgage is closed for the first three years following each of the original interest adjustment date or the interest adjustment date of any renewal hereof. The only prepayments of principal which will be accepted during that period are as outlined below in clause (iii) - Full Payment and Discharge Prior to Maturity and clause (ii) - Partial Prepayment.

(ii) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying up to 10% of the original principal amount of your mortgage, once per year on the anniversary of the interest adjustment date together with an administration fee. The administration fee is calculated as the equivalent of 3 months' interest on the amount of the prepayment calculated using the interest rate as set out in the registered document or any renewal or amending agreement applicable thereto.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:**

The mortgage may be paid out in full and a discharge granted only after the later of the third anniversary of the original interest adjustment date or the third anniversary of any renewal hereof upon payment of the outstanding principal balance plus interest and any other amounts owing together with an administration fee. The administration fee is calculated as the equivalent of three month's interest on the outstanding principal balance calculated using the interest rate applicable as per the registered document or any renewal agreement thereto.

10. INCREASE AND BLEND (Not applicable to Auto 6 Plus, Convertible 6, Variable Rate Closed, Special Variable Rate and Variable Rate Mortgages)

Provided that our mortgage approval criteria, including those as to the borrower and the mortgage terms are met, you have the privilege of increasing the principal amount secured and/or extending the term of the mortgage at a rate of interest blended to reflect the existing mortgage rate , the prevailing rates, prepayment privilege fees and administration fees, if any.

11. EARLY RENEWAL (Applicable to Fixed Rate Mortgages)

In the event that the mortgage is amended to extend the term hereof, the date of the mortgage for the purpose of the application of ***Section 10 of the Interest Act (Canada)*** or any similar Federal or Provincial legislation permitting prepayment, shall be conclusively deemed to be the first day of the last extension of time for payment and the mortgage as amended shall not, at any time or times, be subject to prepayment, in whole or in part, save as may be herein provided.

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes or if you have a 5 year term uninsured mortgage, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out the registered document. You must apply in writing to use this right of early renewal. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

12. AUTOMATIC RENEWAL OF MORTGAGE

I If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage: When not in default and further provided that you have maintained a satisfactory payment record, the mortgage shall automatically renew at the end of its original 6 or 12-month term and at the end of each subsequent 6 or 12-month renewal term into a new 6 or 12-month term, depending on the length of the original term.

The rate charged during each renewal term would be the lower of our posted rate on the renewal date for this type of mortgage or the guaranteed renewal rate.

We will mail a notice of the Guaranteed Renewal Rate to you 30 days prior to the end of the original term and of each renewal term of the mortgage. You may, at your sole option, terminate this automatic renewal clause and pay out the mortgage in full at the end of any term by notifying us of your decision to do so at least 15 days prior to the end of that term.

II If you have a mortgage with original term greater than 12 months: You agree to either pay the monies owing under the mortgage on the maturity date set out in the registered document or, if a renewal agreement has been provided, return the executed renewal agreement on or before the maturity date, failing which both you and we agree that the mortgage shall be deemed to be renewed as an Auto 6 Plus Mortgage/Convertible 6 Mortgage on the terms and conditions set out in the renewal agreement.

13. MORTGAGES WITH DEPOSITS

If required pursuant to the terms of your mortgage loan, you shall deposit funds as a mortgage security deposit. You authorize us to deduct the deposit from the principal amount advanced. You will earn interest on this deposit amount at the 30-day deposit rate of the Canadian Imperial Bank of Commerce. The deposit must be advanced within 120 days from the date of funding. If this is not done, you authorize us to apply the deposit on account of the mortgage principal and the monthly payment will be adjusted to reflect the lower principal balance. Interest will not be paid if the deposit is not released to you. You agree to sign an amending agreement which is to be registered on title to your property.

14. CONVERSION OPTION (Applicable only to Variable Rate Closed Mortgage, Variable Rate Mortgage, Special Variable Rate Mortgage, Auto 6 Plus, Auto 12 Plus, Convertible 6, and Convertible 12 Mortgages)

I. **If you have a Variable Rate Closed Mortgage, Variable Rate Mortgage or a Special Variable Rate Mortgage:**

Providing your property is owner occupied, the mortgage can be converted to one having a fixed rate of interest, equal monthly payments and for any term of three years or longer up to a maximum of ten years then being offered by us for *National Housing Act* insured loans. If your property is a rental property, a maximum conversion term of 5 years will be available. There will be no charge for converting.

II. **If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage:**

The mortgage, at your option, may be converted, by amendment thereof, without charge, to a term in excess of 1-year then being offered by us. The rate applicable to the mortgage as amended will be our then posted rate for the term selected.

To exercise the conversion privilege in either I or II above, written notice signed by you must be delivered to our Mortgage Servicing Division. The interest rate will be the current posted rate for the term selected. The new payments at the new interest rate will commence on the next scheduled payment date or the immediately following payment date as determined by us. Upon conversion, the provisions of paragraph 9.I will no longer apply to the mortgage as amended. An executed Amending/Modification Agreement may be requested, by us, but the written notice to us will be binding upon you and we shall be entitled to rely on it.

15. CERTAIN PROMISES YOU MAKE TO US

(a) You certify and agree with us that:

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;
- (iii) you have the right to give us the mortgage;
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation:

- no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
- no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

(vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;

(vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;

(viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

(b) If you are a tenant or lessee of your property, you also certify and agree with us that:

(i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;

(ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;

(iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;

(iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with which you and your landlord have complied;

(v) you will pay rents and other payments required by the lease as they fall due;

(vi) you will comply with all your other obligations set out in the lease;

(vii) you will not surrender the lease or cause it to be terminated;

(viii) you will not make any change in the lease without first obtaining our written consent;

(ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;

(x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;

(xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;

(xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 15(b)(xii), as you already have under other provisions of the mortgage and at law;

(xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 27 (a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;

(xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 27 and, in particular, under paragraph 27(a)(iv);

(xv) we may remove you or any other person as trustee of the trust referred to in this paragraph 15(b)(xiii) and appoint a new trustee or trustees.

16. DEMOLITION AND ALTERATIONS

(a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.

(b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

17. INSURANCE (Paragraph 17 does not apply if your property is a single residential condominium unit)

(a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their guaranteed replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.

(b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.

(c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money, which we pay for insurance, will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.

(d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:

(i) used to repair or rebuild your property;

(ii) paid to you; and/or

(iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

18. PROPERTY TAXES

(a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.

(b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.

(c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment, based on the estimated annual taxes and anticipated future payments of taxes (as determined by us) that will be payable for the year following such regular mortgage payment date.

(d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 18(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them, failing which you will repay to us the cost of obtaining such documentation and, if not paid, we will add such cost to the loan amount. We do not have to hold any moneys which you send us under this paragraph 18 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may, if we wish, apply any moneys which we have received under paragraph 18 to any portion of the loan amount.

(e) Notwithstanding the provisions of this paragraph 18 we may, at our option, choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year, failing which you will repay to us the cost of obtaining such receipts and, if not paid, we will be add such cost to the loan amount. If, for any reason, you do not pay the taxes when required, then paragraphs 18 (a) through (d) will apply.

19. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph 19, then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

20. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been signed and registered and whether or not any part of the principal amount has previously been advanced. Even so, by signing the mortgage you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

21. LEASES AND RENTS

(a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option. You agree to keep us informed of the status of occupancy.

(b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future; all rents payable under such leases and agreements; and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).

(c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will:

- execute and deliver to us an assignment in registrable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and
- give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

(d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 21, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

(e) Nothing we do under this paragraph 21 will put us in possession of your property and we are not obliged to collect any rent or income from your property or to comply with any term of any lease or agreement.

(f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, C.m.40 (as amended or replaced).

22. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if:

(a) you do not make any payment required by the mortgage;

(b) you do not comply with any of your other obligations under the mortgage;

(c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 15) is untrue;

(d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;

(e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or

(f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

23. BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 20, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act* , R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

24. RELEASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

25. RENEWING OR AMENDING THE MORTGAGE
(This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

26. CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

27. ENFORCING OUR RIGHTS

(a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

(i) **Sue you** - We may take such action as is necessary to collect the loan amount.

(ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

(iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days' notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

(iv) **Power of Sale** - If your default continues for 15 days' we may, on at least 35 days' written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

(v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.

(vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.

(vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

(b) **Non-interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

(c) **Our expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.

(d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.

(e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

28. CONDOMINIUM

(If your property is a condominium unit, you must also comply with paragraph 28 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 17.)

The corporation created by the registration of a declaration under the *Condominium Act*, R.S.O 1990, C.c.26 (as amended or replaced) is called the "condominium corporation".

(a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

(b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and you will be in default under the mortgage.

(c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

(d) **Voting Rights** -

(i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.

(ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

(e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if:

(i) government of the property of the condominium corporation under the *Condominium Act* is terminated;

(ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;

(iii) the condominium corporation fails to comply with the *Condominium Act* ,declaration, by-laws or rules and regulations;

(iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;

(v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or

(vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. We must approve the insurance company or companies. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

29. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

(i) we give our written approval to you to transfer your property;

(ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and

(iii) you provide us with a copy of the registered Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

30. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

31. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

32. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

33. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may, at any time and from time to time, without the consent of or notice to any guarantor, give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

34. RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

35. DISCHARGE OF MORTGAGE

Upon maturity or early full payment of this mortgage, a discharge or assignment, if requested by you, will only be delivered upon full payment being received by us in accordance with our latest issued and current discharge statement. For purposes of calculating per diem interest on a discharge, funds received after 3:00 p.m. on any business day shall be deemed to have been received on the next following business day. We further reserve the right to refuse a discharge or transfer of this mortgage until any charges or returned cheque amounts arising after the discharge statement is issued are also fully paid to us.

You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we may register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

36. FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, discharges, amending or other agreement, statements for information purposes, payment frequency changes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the interest rate required by the mortgage.

The amount of such fees in effect at any particular time is available by contacting us.

37. PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, upon the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 90 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

(a) on the date of completion of the sale of the property, an amount sufficient to pay the outstanding principal amount of the new mortgage, together with interest accrued thereon to date and any administration fees according to the prepayment provisions described in paragraph 9 above that apply to the mortgage will be held by our solicitor in trust to be released upon registration of the new mortgage within the 90-day period;

(b) if the new mortgage is not registered within 90 days of such sale, the amount referred to in (a) above, will be applied to prepay the mortgage in full and to pay any administration fees required in respect of this prepayment;

(c) you will continue to make regular mortgage payments as referred to in paragraph 7;

(d) the mortgage must be transferred to the new property with no changes in outstanding balance, interest rate, terms or any other conditions applicable herein; and

(e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees, CMHC or GEMI insurance premiums, and other expenses incurred in connection with the new mortgage.

38. FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made herein and in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, C.f.3 (as amended or replaced).

39. DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

40. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document regardless of the date of signature that appears in the registered document.

41. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

42. WHO IS BOUND

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

43. PARTIAL INVALIDITY

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

44. PARAGRAPH HEADINGS

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

45. NATIONAL HOUSING ACT

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200205 Cote

46. MAKING MATERIAL CHANGE

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the mortgage term will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

Dated at Toronto, this 21st day of January, 2002.

Christie A. McNeill

Solicitor for CIBC Mortgages Inc.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200205 Cote

HOME TRUST COMPANY

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200206 Cote
Filing Date Feb. 14 2002 Date de Dépôt
Page 1 of/de Seventeen (17) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

STANDARD CHARGE TERMS

Filing No.

Land Registration Reform Act

This set of STANDARD CHARGE TERMS shall be deemed to be included in every Charge in which the set is referred to by its filing number, as provided in section 9 of the above Act.

INDEX

Paragraph Heading Page No.

PARTIES AND TERMS

1. Parties to the Standard Charge Terms 3

MATTERS RELATING TO PAYMENT

2. Your Covenant to Pay 3
3. Your Obligation to Pay Without Set-off or Delay 3
4. Application of Payments and Interest After Default 3
5. No Obligation to Advance 3
6. Prepayment Privilege 3
7. Time and Place for Payment 4
8. Preauthorized Payments 4
9. Renewal 4
10. Fluctuating Account/Additional Debts Secured 4
11. Discharge 5

COVENANTS AND WARRANTIES

12. Title Warranty and Covenants 5
13. Additional Covenants if Property is a Leasehold 5
14. Fixtures, Additions, etc. 5
15. Representations, Information, etc. 6
16. Compliance With Building and Other Laws and Use 6
17. No Other Mortgages or Liens 6
18. Payment of Taxes and Other Encumbrances 6
19. No Sale Without Consent 6
20. Financial Information 6
21. Additional Covenants if Property is a Condominium Unit 6
22. Insurance for the Property 7
23. Property Taxes 8
24. Repair, Vacancy and Maintenance of Property 8
25. Obligations Regarding Construction 8
26. Your Obligations Regarding Environmental Matters 9
27. Further Assurances and Reservation of Rights 10

DEFAULT AND REMEDIES

28. Your Right to Quiet Possession 10
29. Events of Default 10
30. Acceleration on Default 10
31. Remedies on Default 10
32. Matters Relating to the Sale of the Property 11
33. Matters Relating to a Receivership 12

FEES, COSTS AND EXPENSES

34. Servicing Fees 13
35. Costs 14
36. Interest and Security for Fees and Costs 14

MISCELLANEOUS MATTERS

37. Delay, Waiver and Release of Property 14
38. Charge not a Substitute for any other Security 15
39. Judgments 15
40. Interpretation and Headings 15
41. Joint Signatures 15
42. Statutory Covenants 15
43. Demands and Notices 15

ASSIGNMENT OF RENTS

44. Assignment of Rents 16

GUARANTEE

45. Guarantee 16

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200206 Date

PARTIES AND TERMS

1. **Parties to the Standard Charge Terms**. In this set of Standard Charge Terms, you, the Chargor, agree with us, the Chargee, to the following terms, representations and conditions for the charge of your Property. Phrases beginning with capitals such as Principal Amount, Balance Due Date and Interest Rate refer to the applicable information set forth beside those phrases in the Form 2 Charge/Mortgage of Land in which this set of Standard Charge Terms is referred to by its filing number and any amendment of the applicable information on renewal or otherwise from time to time.

MATTERS RELATING TO PAYMENT

2. **Your Covenant to Pay**. You charge the Property to secure and you covenant to pay to us the Principal Amount, interest and all fees and costs on the terms set out in this Charge or in any amendment, extension or renewal of the Charge and any additional amounts secured by this Charge on the terms elsewhere provided for such debts and liabilities.

3. **Your Obligation to Pay Without Set-off or Delay**. You agree to pay all amounts payable pursuant to this Charge and all additional amounts secured by this Charge without abatement, set-off or counterclaim. Should you make any claim against us either initially or by way of abatement, set-off or counterclaim, you agree that any such claim by you will not diminish or delay your obligations to make the payments as provided in this Charge and any such claims by you will not delay the exercise of any remedy and not be a defence to any claim by us against you under this Charge. And without limiting the generality of the foregoing, you agree that should you allege that life insurance or disability insurance should make payment in whole or of any part of the amount secured by this Charge, you will nevertheless be responsible for making all payments provided for under this Charge or any amendment, extension or renewal of the Charge or for any other amount secured by this Charge as they become due until the insurer or alleged insurer makes such payments. Should the insurer either deny that any payments are owing or take the position that there is no insurance coverage for any reason whatsoever including misrepresentation by or to you or by or to any agent or representative of the insurer or Chargee, your responsibility to make payments under the Charge shall continue and you will not make any claim for set-off, counterclaim or delay having anything to do with such insurance or application for any insurance.

4. **Application of Payments and Interest After Default**. All monthly payments when received will be applied first in payment of interest calculated at the Interest Rate, and second in payment of the principal except that if you are in default, we may apply any payments received during the period you are in default on such part of the indebtedness secured by this Charge as we may choose. If you are in default in payment of any amount including interest, interest will be payable on the interest and other arrears at the Interest Rate compounded monthly.

5. **No Obligation to Advance**. The preparation, execution or registration of this Charge will not bind us to advance the Principal Amount, nor will the advance of a part of the Principal Amount bind us to advance or readvance any other portion of the Principal Amount or to allow you to incur any other indebtedness or liability to us, but nevertheless the security on the Property will take effect immediately on execution of this Charge by you.

6. **Prepayment Privileges**. Where the Charge secures a loan for a fixed term, you may, when not in default, on each anniversary of the Interest Adjustment Date prepay an amount not greater than 20% of the original Principal Amount of the fixed term loan. You may not prepay more than 20% of the original Principal Amount on any anniversary date, even though you may have prepaid less than 20% of that amount on a previous anniversary date.

You may also, when not in default, prepay the full outstanding balance of this Charge at any time upon payment of the greater of:

(a) three months interest at your existing interest rate as set out in the Charge or, if renewed, in the agreement for the last renewal of the Charge; or,

(b) the interest rate differential based on the difference between your existing interest rate as set out in the Charge or, if renewed, in the agreement for the last renewal of the Charge and the then current rate for the term remaining on the Charge or renewal of the Charge based on our posted rate for a mortgage for a term that is the next shortest to the remaining term of your Charge or if renewed, of the agreement for the last renewal of the Charge

calculated on the full principal amount being repaid.

When the Charge is in default, notwithstanding any acceleration of payment of the principal amount or notices served or proceedings commenced for enforcement of the Charge, you may pay the principal amount outstanding before the Balance Due Date of the Charge or the maturity date of any renewal of the Charge only upon payment of three months interest calculated on the outstanding principal amount and we may also recover such amount from the proceeds of any sale of the Property or other proceedings for enforcement of the Charge.

7. **Time and Place for Payment**. All payments under this Charge must be made to us at such place as we designate to you from time to time. Each payment is to be made by 2:00 p.m. on the day on which it is due and payable. Any payment received by us after 2:00 p.m. will be deemed for the purpose of calculation and payment of interest, to have been made and received on the next day we are open for business.

8. **Preauthorized Payments**. Unless we otherwise agree, you will establish and make all regular payments as they become due pursuant to the Personally Approved Payment Service or other preauthorized payment method acceptable to us.

9. **Renewal**. You agree that where this Charge secures a loan for a fixed term, this Charge may be automatically renewed from time to time in the following manner:

Prior to the Balance Due Date of the Charge, and of each renewal term, we may, but we are not obligated to, send to you a notice of renewal setting forth the balance outstanding on the Charge and the interest rate, payment amount and the other terms and conditions on which the Charge may be renewed. Unless you pay the balance outstanding on the Charge, accept other renewal terms offered or make other arrangements in writing to extend payment by the Balance Due Date of this Charge or of any renewal or extended term of this Charge, you will be deemed to have accepted a renewal for a one year term on the terms set out in the notice of renewal. On any renewal, the amount of the payments being made pursuant to the Personally Approved Payment Service or other preauthorized payment mechanism will be adjusted accordingly. Renewal fees not paid by such Balance Due Date will be added to the balance outstanding on the Charge and bear interest at the renewal rate.

No renewal or extension of time given by us to you shall in any way affect or prejudice our rights against you, the Guarantor or any other person. It shall not be necessary to register notice of any such renewal or obtain any consents or acknowledgements in order to retain priority for this Charge so altered over any subsequent encumbrance or instrument registered subsequent to this Charge.

10. **Fluctuating Account/Additional Debts Secured**. You agree that this Charge will secure all your indebtedness and liabilities from time to time to us. The Charge is a general and continuing security for the Principal Amount or the parts thereof actually advanced or readvanced from time to time and interest thereon at the Interest Rate and fees and expenses incurred pursuant to this Charge and for all other present and future debts and liabilities you may have with us, whether direct or indirect, absolute or contingent, incurred by you alone or with any other person, and interest thereon and charges, fees and expenses incurred with respect thereto.

No payment, no revolving or fluctuation of the indebtedness or liability, no change in the form of the indebtedness or liability nor acceptance or renewal or substitution of any note, instrument or other document evidencing or regarding any of the indebtedness or liability will constitute a reduction or discharge in whole or in part of the security of this Charge and the Charge will not cease to operate and will not be extinguished except as provided in paragraph 10 below.

11. **Discharge**. If you pay us the Principal Amount, interest and all the other amounts secured by this Charge in full and you notify us in writing that such payment is in final and permanent pay out of all your indebtedness and liabilities to us and request a discharge of this Charge, we will discharge this Charge. You will give us a reasonable time after payment in which to prepare and issue the discharge. You must pay our expenses of having it prepared and you will also be responsible for the cost of registering it.

COVENANTS AND WARRANTIES

12. **Title Warranty and Covenants**. You warrant and agree that:

(a) **Good Title**. You have (unless you have a leasehold title and paragraph 4 is applicable) good and marketable title in fee simple to the Property subject only to any prior registered charge, to which we have agreed in writing;

(b) **To Protect Title**. You will preserve your title to the Property and the validity and priority of this Charge and you will forever warrant and defend the same for us against the claims of all persons;

(c) **Authority to Charge**. You have the right to charge the Property to us;

(d) **Release of Claims**. You release to us all of your right, title, interest and claim to the Property subject to the right to discharge contained in Section 2 above.

13. **Additional Covenants if Property is a Leasehold**. If you have a leasehold interest in the Property, the Charge will not apply to the last day of the term of your lease or the term of any renewal or replacement of your lease. You will hold the last day of each term in trust for us and transfer it on our direction to any person acquiring such term. Our President, Secretary or any Vice-President is appointed your attorney with full power of substitution to complete such transfer. This appointment will not be terminated by your disability or death.

And furthermore, you warrant and agree that:

(a) you have good and marketable leasehold title to the Property;

(b) you have a good, valid and subsisting lease of the Property and you have given to us a full and complete copy of that lease;

(c) all rents and other monies payable under the lease have been paid and you are not otherwise in default under any obligation set out in the lease;

(d) you do not require the consent of the landlord to charge your leasehold interest in the Property, or if required, you have obtained the consent of the landlord to this Charge;

(e) you will pay rent and perform and observe all your other obligations under the lease;

(f) you will not encumber or surrender the lease or cause or allow it to be terminated or forfeited;

(g) you will not agree to any amendment of the lease without first obtaining our written consent; and,

(h) you will renew the lease as necessary to protect our interest and the Charge will extend to any such renewal.

14. **Fixtures, Additions, etc.**. You agree the Property includes all property of any kind that is at any time attached or fixed to the land or buildings or placed on and used in

connection with them including all heating and cooling equipment such as furnaces, pumps, water heaters and air conditioners (central, window and other units), all cooking and refrigeration equipment, light fixtures, television antennae, satellite dishes, security systems, central vacuum, trees, shrubs and plants, as well as all alterations, additions and improvements to the buildings.

15. **Representations, Information, etc.** You warrant and represent that all representations made by you or anyone on your behalf in the application for mortgage loan and any other information you or the Guarantor have provided to us for our consideration in deciding whether to grant, amend or renew the mortgage loan or any other amount secured by this charge are true and correct at the time made or provided .

16. **Compliance With Building and Other Laws and Use.** Your use of the Property complies and you will continue to comply with all building and zoning by-laws and if a non-conforming use, you will continue such legal non-conforming use, unless we otherwise agree in writing. You will also comply with all other laws in your use and occupation of the Property and will not use or permit the Property to be used for any illegal, improper or immoral purpose or activity.

17. **No Other Mortgages or Liens**. You will not create or permit to exist any other mortgage, construction lien (other than any unregistered lien for work or supply to an improvement approved by us for an account not yet due) or other lien (other than for taxes and utilities not yet due) or other encumbrance against the Property without our prior written approval and if approved, without such other security holder agreeing to be fully subsequent in priority and subordinated in payment to all amounts that may from time to time be secured by this Charge.

18. **Payment of Taxes and Other Encumbrances**. You will also pay all taxes and other rates levied on the Property and all accounts for utilities supplied to the Property and all charges, mortgages, liens and other encumbrances on the Property when they are due and comply with your other obligations under them. You will, if we ask for it, immediately give us receipts showing that the taxes and other accounts have been paid.

19. **No Sale Without Consent**. You will not sell, transfer, lease or otherwise dispose of all or any part of the Property or any interest therein or if a corporation, permit a change in control, without our prior written approval and if approved, without such approved purchaser, transferee or lessee entering an assumption agreement in form satisfactory to us. Acceptance of any payments from a purchaser, transferee or lessee or after a change in control not approved in writing by us, shall not constitute an approval or waiver by us.

20. **Financial Information**. If the Property or any part is not your residence property, you will when so requested by us provide to us any and all financial information and statements related to the Property or your or the Guarantor's affairs.

21. **Additional Covenants if Property is a Condominium Unit**. The following provisions apply to any condominium unit that is part of the Property:

(a) Payment of Common Expenses and Compliance. You will pay all contributions to common expenses of the condominium as they become due and comply with the Condominium Act and the declaration, by-laws and rules of the corporation. You will provide us with proof of your payment and your compliance from time to time as we may request. You will forward to us as received copies of any notices, assessments, by-laws, rules and financial statements of the corporation. You will provide us, on request, with any other documents and information that you receive from the corporation or are entitled to receive.

(b) Repair. You will maintain all improvements made to your unit and repair them after damage.

(c) Insurance of Unit. You will insure all improvements which you or the previous owners have made to your unit. Furthermore, you will insure your common or other interest in buildings which are part of the condominium property or assets of the corporation, if the corporation fails to insure the buildings as required by the

Act and the declaration, by-laws and rules of the corporation. These obligations are in addition to your obligations in this Charge under the heading Insurance for the Property as far as they apply to a condominium unit.

(d) Right to Vote - Proxy. You hereby assign to us and authorize us to exercise your rights under the Act to vote and to consent. If we do not exercise such rights, you may do so, but you will do so according to any instructions which we may give you from time to time. You also authorize us to inspect the corporation's records. Nothing done under this paragraph puts us in possession of the Property.

22. **Insurance for the Property**.

(a) **Fire and Other Perils**. You will cause the Property to be insured by an insurer and under a policy or policies satisfactory to us to an amount of not less than the full insurable value of the buildings and improvements on the Property. The insurance must be against the perils and extended perils usually covered in fire insurance policies, including but not limited to loss or damage by explosion, tempest, tornado, cyclone, earthquake and lightning.

(b) **Boiler Insurance**. If there is a boiler or other pressured vessel or a sprinkler system in any building on the Property, the insurance to be obtained by you must cover loss or damage caused by the boiler or other pressured vessel and equipment operated with it or caused by the sprinkler system;

(c) **Owner's Liability Insurance**. If the Property is used for commercial purposes, you must have comprehensive liability insurance for personal and property damage and losses occurring on or in respect to the Property for an amount per occurrence which we may specify to you in writing;

(d) **Rental Interruption Insurance**. If the Property is used for commercial purposes and we so request in writing, you must also have insurance against loss of rents and other income or payments to be made by tenants or others with respect to use of the Property or any part thereof from the risks covered by the other required insurance for 100% of the rents and other payments from the property or rental value for a period of at least twelve months from the date the claim arises;

(e) **Builder's All Risk**. During such time or times as there is construction of any buildings or other improvements on the Property, you will maintain builder's all risk insurance with a stated amount clause for the improvements for full insurable value.

(f) **No Co-Insurance**. The insurance may not contain co-insurance requirements;

(g) **Proof of Insurance**. Each policy of insurance shall contain mortgage clauses and loss payee clauses in a form satisfactory to us. You must on request deliver to us any policy of insurance on the Property. You must give us proof that you have obtained the insurance you are required to obtain and you must, at least 10 days before any insurance expires or is terminated, give us proof that you have arranged for such insurance to be renewed or replaced. If you fail in any way to comply with these obligations, we may (but we are not obliged to) obtain insurance on your behalf. If we think it is necessary, we can require you to cancel any existing insurance for the Property and provide other insurance which meets our approval;

(h) **Insurance Claims and Proceeds**. If loss or damage occurs, you will provide us with necessary proofs of claim and do everything else necessary to enable us to obtain payment of our interest in the insurance proceeds. You irrevocably appoint our President, Secretary or any Vice-President (with power of substitution) as your authority to sign on your behalf any documents required or to endorse on your behalf any cheques issued by any insurer with respect to any policy of insurance with respect to all or any part of the Property. Insurance proceeds may, in whole or in part, exclusively at our option, be used to rebuild or repair damaged buildings or be used to reduce all or part of the amount secured by this Charge;

(i) **Further Assignment**. You assign as additional security for your obligations under this Charge all interest in or under any insurance of any kind affected with respect to the Property and the proceeds thereof, whether or not placed in accordance with the requirements of this Charge.

23. **Property Taxes**.

(a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties levied on or payable with respect to the Property;

(b) if we so require, you agree to pay to us on each payment date under the Charge or any amendment or renewal thereof, sums sufficient, as determined by us, to enable us to pay the whole amount of taxes on or before the due date for payment of taxes or, if taxes are payable in instalments, on or before the due date for payment of the first instalment;

(c) if you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you shall pay to us an appropriate amount in addition to the amount referred to in paragraph (b) above;

(d) if the taxes on the Property in any calendar year exceed our estimate, you will pay us the difference on demand;

(e) you agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them;

(f) we do not have to hold any moneys which you send us under this paragraph in trust, nor pay interest on them, nor apply them to pay taxes more than once a year;

(g) should you default under any of your obligations in the mortgage, we do not have to use monies so received to pay taxes and we may, if we wish, apply such monies to any of your debts or liabilities to us;

(h) before or on the Interest Adjustment Date, we may withhold from any advance under the Charge any amount we feel necessary to pay or to anticipate future payments of taxes.

24. **Repair, Vacancy and Maintenance of Property**. You will maintain the Property in good order, condition and repair and will promptly make all necessary repairs, replacements, and improvements. You will not allow any part of the Property to become or remain vacant without the Lender's written consent You will not commit waste and will not remove, demolish or materially alter the Property or any part of it without our prior written consent. We may, whenever we feel it necessary, either by ourself or by our agent enter upon and inspect the Property and you shall pay the expenses associated with such inspection. If you, or anyone claiming under you, neglect to keep the Property in good condition and repair, or commit any act of waste on the Property, or do anything by which the value of the Property is diminished, as to all of which we shall be sole judge, we may (but we are not obliged to) enter the Property and effect such repairs or work as we consider necessary.

25. **Obligations Regarding Construction**. If any improvement (which includes construction, alteration, repair and demolition) is or is to be made to the Property, you must inform us in writing immediately if it has started, or otherwise before it is started and the plans and specifications must be approved by us. You covenant with us that if you fail at any time for a period of 10 business days to diligently carry on the work of construction of any building or buildings being or to be erected on the Property, or without our consent in writing, you depart in such construction from the plans approved by us or from the generally accepted standards of construction in the locality of the Property, or you permit any construction or similar lien to be registered against the Property, we may at our option at any time, through our agents or

contractors, enter the Property and have exclusive possession of the Property and of all materials, plant, gear and equipment on the Property, free of interference by you and complete construction of the building or buildings either according to your plans approved by us, or according to such other plans, specifications or design as we in our discretion may choose. You shall pay all costs in connection with such construction.

26. **Your Obligations Regarding Environmental Matters.**

(a) To the best of your knowledge and belief, after due inquiry and investigation, no part of the Property contains, has ever contained or will in the future, except as provided below, contain any hazardous substances;

(b) We may require that you obtain at your expense an environmental audit report on all or any part of the Property, which report shall be satisfactory to us;

(c) You agree that any activities, operations or storage on any part of the Property that may involve hazardous substances will only be undertaken after full disclosure to us and with our approval. Any such activities, operations or storage will be in accordance with Environmental Laws and Regulations. You will on reasonable request from time to time provide us with satisfactory evidence of such compliance along with copies of all current permits and licenses necessary for the lawful operation or storage on the Property. Without limiting the generality of the foregoing, no use of any part of the Property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any hazardous substance on, from or under the Property or permit any policy of insurance in respect to the Property to be cancelled;

(d) You will promptly notify us as soon as you know of or suspect that any hazardous substance has been brought on to the Property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any hazardous substance on, from or under the Property whether from your activities or storage or from those of another property owner or carrier or from any other source;

(e) You will promptly remove any hazardous substances that are on the Property in any manner and from any source, other than for activities, operations and storage which we have permitted as provided above, and complete all remediation of the Property that may be required by reason of the presence of hazardous substances and that we may consider prudent, all in accordance with Environmental Laws and Regulations;

(f) You agree to indemnify us with respect to any and all costs and liabilities we may incur for investigations, remediation and other matters related to hazardous substances that are or may be on or about or suspected to be on or about any part of the Property or nearby property;

(g) Any environmental audit report you may provide to us or we may obtain or any other investigation we may conduct or any remedial or other work we or someone on our behalf may perform or any storage or use of hazardous substances on the Property we may permit will not relieve you from your obligations hereunder;

(h) The representations, covenants, agreements and indemnity made in this section shall survive satisfaction and discharge of the Charge, sale of all or any part of the Property or extinguishment of the Charge if we or our nominee becomes owner of the Property by foreclosure or otherwise following default;

(i) Hazardous substances refers to solid, gaseous or liquid waste and substances or conditions that are prohibited, controlled or otherwise regulated or that are otherwise hazardous in fact or that are considered potentially hazardous and Environmental Laws and Regulations mean all requirements of common law, statutes, by-laws, orders, permits and the like of any government or governmental authority relating to environmental, health, fire or safety matters.

27. **Further Assurances and Reservation of Rights**. You will, before or after default, execute any further documents and do such other acts with respect to any aspect of this Charge, at your own expense, as we may reasonably require.

You agree that no sale or other dealing by you with the Property or any dealing by us with the whole or any part of Property or with any person liable in any manner for the whole or any part of the amount secured by this Charge, shall in any way affect or prejudice our rights against you, the Guarantor or any other person liable to pay any amount secured by this Charge.

DEFAULT AND REMEDIES

28. **Your Right to Quiet Possession**. Until default by you under this Charge, you shall have possession and receive the rents and profits from the Property.

29. **Events of Default**. You will be in default under this Charge upon the happening of each and every of the following events:

(a) if you default in the payment of the Principal Amount, interest or any other amount secured by this Charge, when payment of such amount becomes due under the terms of this Charge or as elsewhere provided for any other amount secured by this Charge;

(b) if you default in the observance or performance of any term or covenant which you have agreed with us to observe or perform under this Charge or elsewhere;

(c) if any information or statement you or the Guarantor have given or made before, at or after signing the Charge, in respect of the Property or your or the Guarantor's affairs is incorrect or untrue at the time given or made;

(d) if you cease or threaten to cease to carry on in a sound businesslike manner the business you or the Guarantor ordinarily conduct on or with respect to all or any part of the Property;

(e) if the Property is a condominium unit or units, a vote authorizes termination of the condominium or the sale of all or substantially all of the condominium corporation's assets or its common elements or the condominium corporation fails to insure the unit and common elements;

(f) if a petition in bankruptcy is filed against you, if you make a general assignment for the benefit of your creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of your affairs or Property, or in our opinion, you become insolvent;

(g) if a construction or similar lien is registered against the Property or if default occurs under any other lien, charge or other encumbrance existing against the Property.

30. **Acceleration on Default**. If at any time you should be in default under this Charge, then the Principal Amount and interest and all amounts secured by this Charge shall, at our option, become due and payable immediately.

31. **Remedies on Default**. Upon the occurrence of any event of default, the Charge shall, at our sole option, be immediately enforceable (without thereby declaring the Principal Amount and other amounts secured by the Charge immediately due and payable unless we have in writing declared the same due and payable) and we may realize upon our security and enforce our rights (without notice to you except as specifically required by any term of this Charge or by any applicable statute) by the following remedies:

(a) **Possession**. We may enter into possession of the Property and occupy and use it without any objection from you. Our liability for the time in possession of all or any part of the Property shall be limited to an accounting for monies actually received by us;

(b) **Distrain**. We may distrain your goods for arrears of interest;

(c) **Lease**. We may lease all or any part of the Property with or without entering into possession of the Property;

(d) **Court Action**. We may take proceedings in any Court of competent jurisdiction for sale or foreclosure of all or any part of the Property;

(e) **Court Receiver**. We may take proceedings in any Court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a receiver and manager) of all or any part of the Property, and you hereby consent to a court order for such appointment;

(f) **Power of Sale**. We may with or without entering into possession sell all or any part of the Property pursuant to the power of sale in such manner as may to us seem best;

(g) **Receiver**. We may appoint in writing a receiver of the Property and of the rents and profits thereof. We may from time to time remove any such receiver and appoint another in its stead, and in making any such appointment or removal, we shall be deemed to be acting as the agent or attorney for you. The purpose of such appointment shall include the orderly management, administration and/or sale of the Property or any part thereof.

(h) **Abandoned Personal Property**. Any equipment (which is not part of the Property) or furniture or household or personal belongings which remain on the Property for a period of more than five days after we or a receiver take possession of the Property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we see fit. Removal, storage and other costs may be added to the amount secured by this Charge;

(i) **Performance of Your Covenants**. If you fail to perform any covenant or condition under this Charge, we may (but we are not obliged to) ourselves perform or cause to be performed the same at your expense. If we pay any taxes, utility accounts, charges, liens or other encumbrances, we shall be entitled to all equities and securities of the person or persons so satisfied and we may retain any discharge or cessation of charge unregistered until we are paid. We may rely on any statement of account or statement of non-performance which we reasonably believe to be correct without any subsequent challenge of any kind as to the correctness thereof by you.

We may exercise these rights and remedies from time to time separately or in combination and as often and in such manner as we see fit. They are in addition to and not in substitution for any other rights and remedies we may have at law, in equity or by statute, or under any other security or agreement with you.

32. **Matters Relating to the Sale of the Property**. The following terms shall apply to any sale:

(a) We may sell the whole or any part or parts of the Property by public auction or private contract, or partly one or partly the other;

(b) The sale may be conducted immediately upon the expiration of any redemption or reinstatement period required by law or at any time thereafter and we may delay the sale for such period of time as we consider to be in our best interest;

(c) We may sell on such terms as to credit and otherwise as shall appear to us most advantageous and for such prices as can reasonably be obtained and may make any stipulations as to title or evidence or commencement of title or otherwise which we consider appropriate;

(d) In the case of a sale on credit we shall be bound to pay you or any other person with a claim thereto or apply on account of the Principal Amount only such monies as have been actually received from the purchasers from time to time. After the satisfaction of all our claims, we are not bound to pay any amount to you or any other person claiming entitlement thereto until all such agreements and assurances as we consider fit have been executed and delivered;

(e) We may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby;

(f) Any person, including us, may bid on, tender for or purchase the Property at the sale;

(g) Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper. No want of any required notice or publication shall invalidate any sale or lease under this Charge and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the power of sale shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given; any person prejudiced by an unauthorized, improper or irregular exercise of the power shall have his or her remedy against the person exercising the power in damages only;

(h) Notice as provided for in this Charge shall be given to you in such manner and form and within such time as provided by the mortgages, land titles or other acts, as amended, in the province where the Property is located. Unless otherwise required, you agree that notice may be given by mailing it in a registered letter addressed to you or your legal representative at the last address known to us and shall be effective as of the date of mailing;

(i) All provisions of this Charge relating to a sale of the Property following default, including, without limitation, the persons to whom notice of exercising the power of sale shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising any power of sale or other sale remedy. Wherever any such requirement may be waived or shortened, such requirement is hereby waived and shortened. Wherever there is a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of any law, the provisions of such law shall govern.

33. **Matters Relating to a Receivership**. The following provisions shall apply with respect to the appointment of any receiver:

(a) a statutory declaration of any of our officers as to default under the provisions of this Charge shall be conclusive evidence thereof;

(b) we may from time to time fix the remuneration of any receiver;

(c) our appointment of a receiver or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not create any liability on our part to such receiver in any respect and shall not have the effect of constituting us a Chargee in possession in respect of the Property or any part thereof;

(d) the receiver shall be the irrevocable agent or attorney of you for the collection of all rents and other payments recoverable in respect to the Property, or any part thereof, whether in respect of any tenancies, licenses or other agreements created in priority to this Charge or subsequent thereto;

(e) the receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in your name for the purposes of securing the payment of rental and other income from all or any part of the Property;

(f) the provisions of Section 32 with respect to a sale by us shall, to the extent applicable, apply to any sale by the receiver;

(g) the receiver shall have full power to complete any unfinished construction upon the Property in such manner with such modifications as to it appear fit;

(h) the receiver shall, so far as concerns responsibility and liability for its acts and omissions, be deemed to be your agent or attorney and not ours;

(i) the receiver shall not be liable to account to you for monies or damages other than cash received by it in respect of the Property and out of such cash every such receiver shall pay, in the following order:

    (i) all payments made or incurred by it in connection with management, operation, amendment, repair, alteration or extension of the Property or any part thereof;

    (ii) its remuneration;

    (iii) all payments necessary to keep in good standing or satisfy and discharge all charges, liens and other encumbrances on the Property prior to this Charge;

    (iv) interest, costs and other charges accruing due under this Charge, principal owing under this Charge and other amounts secured by this Charge, to be applied to such parts thereof and in such order as we see fit.

FEES, COSTS AND EXPENSES

34. **Servicing Fees**. You agree to pay to us servicing fees to cover our reasonable time and costs for administration of the Charge including without limitation, a fee or allowance for

(a) dealing with each late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled

(b) preparing each assumption, arrears, reinstatement, discharge or other mortgage statement, whether provided to you, our agents or solicitors or any other interested person,

(c) processing each application to obtain our consent to assume the mortgage or our approval or consent for any other matter required by the Charge whether or not approval or consent is provided or the matter is completed,

(d) processing each extension, renewal, restructuring or other amendment of the Charge or amounts secured by the Charge, whether or not completed,

(e) investigating status of any insurance and administering insurance cancellations and paying insurance premiums,

(f) investigating status of realty tax payments and administering tax payments,

(g) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches,

(h) registering electronically or otherwise or executing and delivering any discharge of this Charge (notwithstanding that the discharge may have been prepared by you or other person on your behalf),

(i) the personal time and trouble of our employees or agents in collecting any payment or inquiring into compliance or otherwise reviewing or dealing with or enforcing any other obligation contained in this Charge or instructing and assisting counsel or other agents with respect to the enforcement of this Charge and any litigation in relation thereto or in managing or selling the Property including, without limitation, with respect to taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances, and

(j) generally, any matter connected with the proper administration of the Mortgage.

Our servicing fees shall be the amounts established and generally applied by us from time to time and may be disclosed in a Schedule to this Charge or ascertained upon inquiry to us.

35. **Costs**. You agree to pay us all amounts we expend and costs we incur in any manner in connection with this Charge including, without limitation, expenses in relation to:

(a) the making of the loan secured by this Charge and each amendment, extension or renewal thereof including preparation, execution and registration of the Charge and any other security, instrument and documents;

(b) collecting payments under and enforcing and realizing the security of this Charge;

(c) defending or otherwise dealing with any action or proceeding in which we by reason of the Charge may be a party or otherwise interested including without limitation any construction lien or similar matter, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter;

(d) performing or complying with any of your obligations under this Charge including, without restriction, those relating to insurance, condominium, repair and construction, leases, taxes, prior encumbrances and environmental matters.

All legal costs incurred by us will be paid by you in full (including legal fees as between the solicitor and his own client).

36. **Interest and Security for Fees and Costs**. All the above described fees and costs, allowances and expenses shall be secured by this Charge, shall bear interest at the Interest Rate from the date incurred or calculated by us and shall be payable by you forthwith on demand.

MISCELLANEOUS MATTERS

37. **Delay, Waiver and Release of Property**. You agree that we may in our discretion at any time release any part of parts of the Property or any other security or any surety for the whole or any part of the Principal Amount, interest and other amounts secured by this Charge either with or without any sufficient consideration, without responsibility or liability to you and without releasing any other part of the Property or any person from this Charge or from any of the covenants and without being accountable to you for the value of such released Property, securities or surety, or for any money except that actually received by us. Every part or lot into which the Property is or may be divided does and shall stand charged with the whole of the Principal Amount, interest and other amounts secured by this Charge.

We may delay in enforcing any of our rights under this Charge or the obligations secured or any agreement evidencing or securing the obligations secured without losing or impairing those rights. We can waive breach of your obligations under this Charge or under any related security or agreement without losing our rights in respect of any other breach of your obligations.

38. **Charge not a Substitute for any other Security**. You agree that this Charge shall not create any merger, rebate or discharge of any debt owing to us or of any lien, bond, note, instrument or other security now or subsequently held by us, whether from you or from any other party or parties and this Charge shall not in any way affect any security which may now or subsequently be held by us for the whole or any part of the Principal Amount, interest and other amounts from time to time secured by this Charge or the liability of any other person upon any such lien, bond, note, instrument or other security or contract or any renewal or renewals of the same held by us for or on account of the Principal Amount, interest and other amounts from time to time secured by this Charge or any portion thereof, nor shall our remedies be affected in any manner.

39. **Judgments**. If we obtain a court judgment against you for your failure to pay all or any part of the Principal Amount, interest and other amounts secured by this Charge or to perform any of your obligations to us under this Charge, the judgment will not result in a merger of any of your obligations under this Charge with the judgment or take away any of our other rights to enforce this Charge. We will continue to be entitled to receive interest on the Principal Amount, interest and the other amounts secured by this Charge at the Interest Rate, calculated and payable in the agreed way, and the judgment may so provide.

40. **Interpretation and Headings**. Wherever in this Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties so require. The headings do not form part of this document and have been inserted for convenience of reference only. This Charge shall be interpreted, enforced and governed by the laws of the province in which the Property is located. If any provision of this Charge shall be prohibited by or invalid under applicable law, such provision shall not invalidate the remaining provisions of this Charge. Nothing contained in this Charge shall require you to pay or for us to accept interest in an amount greater than that allowed by applicable law. In the event that the payment of interest or other amounts under this Charge would otherwise exceed the maximum amount allowed under applicable law or violate any law as to disclosure or calculation of interest charges, then your obligations to pay interest or other charges shall be reduced or amended to the maximum rate or amount permitted under applicable law.

41. **Joint Signatures**. If more than one person makes this Charge, each person who makes it is jointly and severally bound to comply with all obligations of the Chargor under this Charge.

42. **Statutory Covenants**. The covenants contained in this Charge are additional and supplemental to and in the case of any conflict override the covenants set out in any statute regarding charges, including in Ontario Section 7(1) of the Land Registration Reform Act, R.S.O. 1990, c. L.4.

43. **Demands and Notices**. Unless otherwise provided in this Charge or prohibited by law, where this Charge allows or requires us to make a demand on or give a notice to any person (including you), we may make the demand or give the notice by delivering it to the person at the Property or person's last known address or by mailing it by prepaid registered mail addressed to the person at the Property or the person's last known address or by sending it by telefacsimile to the person's last known number and, where the person is a corporation, by so delivering or sending it to the last known address or number of a director, officer, employee or attorney of the corporation.

A notice or demand so delivered will be regarded as given or made when it is so delivered. A notice or demand so mailed will be regarded as given or made on the day after it is mailed and a notice so sent by telefacsimile on the day sent, in each case whether the person actually receives it or not, and if the day of receipt is not a day we and lenders generally are open for business, then the next business day.

ASSIGNMENT OF RENTS

44. **Assignment of Rents**. You agree with us as follows:

(a) You assign and set over to us all rents and other monies payable from time to time under all leases, licenses or other agreements in respect of any part of the Property, whether presently existing or arising in the future, together with the benefit of all covenants, terms and provisos contained in such lease, license or agreement;

(b) You will provide us with copies of all leases, licenses and agreements respecting the Property and you will notify us of any proposed lease, license or agreement. You may not make any lease, license or agreement to which we object in writing to you;

(c) Immediately after making any lease, license or agreement respecting any part of the Property, you will on our request execute and deliver to us an assignment in our usual and registrable form of all rents or monies payable under such lease, license or agreement, the benefit of all covenants, agreements and provisos contained in such lease, license or agreement on the part of the tenant, licensee, user or guarantor to be observed and performed and the reversion of such lease, and you will also execute and deliver to us all such notices and other documents as may be required in order to render such assignment effectual in law;

(d) Nothing shall make us responsible for the collection of rents or monies payable under any lease, license or agreement in respect of any part of the Property or for the performance of any covenants, terms or conditions contained in any such lease, license or agreement. Neither you or we will cause the tenant, licensee, user or guarantor under the lease, license or agreement to pay rent or monies to us unless and until you are in default;

(e) We shall not by virtue of this assignment or collection of any rents or monies thereunder be deemed a mortgagee in possession of the Property. You will perform and observe all of the landlord's covenants and obligations contained in each lease, license and agreement and will not collect rents more than one month in advance (other than monies held as security deposits);

(f) We shall be liable to account for only such rents and monies as actually come into our hands, less reasonable collection charges and all expenses, and may hold such rents in a collateral account and may apply such rents to the repayment of the Principal Amount, interest and other amounts secured by this Charge as we see fit; and

(g) Notwithstanding anything contained in this Charge, no lease, license or agreement respecting any part of the Property shall have priority over this Charge without our consent in writing.

GUARANTEE

45. **Guarantee**. Each person signing or joining in the Charge as a Guarantor agrees in consideration of our making the loan to you, as follows:

(a) The Guarantor, with you, as principal debtor and not as surety will duly pay or cause to be paid all amounts payable under this Charge on the days and times and in the manner provided for payment of the same;

(b) The Guarantor unconditionally guarantees full performance and discharge of all your obligations under the provisions of this Charge at the times and in the manner provided in this Charge;

(c) The Guarantor indemnifies and saves us harmless from and against all losses, damages, costs and expenses which we may sustain, or incur or be or become liable for by reason of:

  (i) the failure for any reason whatsoever by you to pay the amounts payable under this Charge or to do and perform any other act, matter or thing required by the provisions of this Charge; or

  (ii) any act, action or proceeding, of or by us, for, or in connection with, the recovery of the amounts payable under this Charge by you, or enforcing the performance by you or any other person liable under this Charge of any act, matter or thing required by the provision of this Charge;

(d) We shall not be obliged to proceed against you or any other person liable under this Charge or to enforce or exhaust any security before proceeding to enforce the obligations of the Guarantor set out in this paragraph and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any of your debts or obligations under this Charge or the enforcement of any security for any such debt or obligation;

(e) We may, without notice to and the consent or approval of the Guarantor, grant extensions of time for payment, make renewals, increase, vary and amend the Interest Rate, the Principal Amount and other terms of the Charge and the indebtedness secured by the Charge, release the whole or any part of the Property or other security from this Charge, or otherwise deal with you, any of the indebtedness secured by this Charge or the Property or other security as we see fit without releasing or lessening the liability of the Guarantor;

(f) The Guarantor agrees to be bound by each such renewal, variation and amendment of any terms of the Charge we make with you and each reference to the Charge in this Guarantee paragraph shall mean the Charge as so renewed and amended from time to time, regardless of whether made with or without the knowledge, consent or approval of the Guarantor;

(g) No delay or carelessness or neglect by us in asserting any of our rights, nor the loss of any right by operation of law, nor the loss or destruction of any security, nor the lack of validity or enforceability of all or any part of this Charge or any other security held for or any document evidencing any part of the indebtedness or liability secured by the Charge will in any way release or lessen the liability of the Guarantor;

(h) The Guarantor has read this Charge and is fully aware of and agrees with its terms and in particular, the terms of this Guarantee;

(i) Where there is more than one Guarantor, each Guarantor is jointly and severally responsible under this guarantee with the other Guarantor(s) and you;

(j) We may serve notice on the Guarantor and any notice to the Guarantor shall be deemed received in the same manner as provided for notice to you in this Charge.

DATED the 13th day of February, 2002

HOME TRUST COMPANY
by its solicitors
GOWLING LAFLEUR HENDERSON LLP
Per
Harry R. VanderLugt

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200206 Date

This set is the French version of the standard charge terms filed under nunber
No. 200114
La presente liste constitue la version francaise
des clauses types de charge déposées sous
la cote 200114
Document déposé par la Société hypothécaire Scotia
La liste des clauses types relatives aux charges hypothécaires suivante doit être réputée être comprise dans tout acte de charge dans lequel il est fait reférence à la liste des clauses types sous la cote qui lui est attribuée, tel qu'il est- stipulé à 1 àrticle 9 de la Loi.

CLAUSES TYPES DE CHARGE
Filing No. 200207 Cote
Filing Date Feb. 20,2002 Date de Dépôt
Page 1 of/de Eleven (11) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Charge à taux variable
(Loi sur l'enregistrement des droits immobiliers
et Loi sur l'enregistrement des actes)

Loi portant réforme de l'enregistrement immobilier

LISTE DES CLAUSES TYPES RELATIVES AUX CHARGES HYPOTHÉCAIRES N°

1. DÉFINITIONS

Dans la présente Liste des clauses types relatives aux charges hypothécaires, le terme **Acte de charge** désigne l'Acte de charge (hypothèque) (Formule 2) dans lequel il est fait référence à la liste des clauses types sous la cote qui lui est attribuée, ainsi qu'aux annexes qui l'accompagnent et à la présente Liste de clauses types relatives aux charges hypothécaires. Les termes **vous** et **votre(vos)** désignent chacune des personnes y ayant apposé sa signature à titre de débiteur hypothécaire. Les termes **nous** et **notre(nos)** désignent la Société hypothécaire Scotia, à titre de créancier hypothécaire. Le terme **unité foncière** désigne le bien-fonds décrit à la case 5, tous les bâtiments qui y sont ou pourront dans l'avenir y être érigés, ainsi que tous ajouts, modifications et améliorations dont ils pourront faire l'objet. Le terme **montant du principal** désigne le montant indiqué à la case 4. Par **montant du prêt**, il faut entendre le montant variable du solde du prêt (intérêt compris) dont vous nous êtes redevable à une date quelconque au titre du prêt hypothécaire.

Toute référence à une case s'entend dans le présent Acte de charge d'une case de la Formule 2 (y compris toute annexe se rapportant à l'objet de cette case), et toute référence à la signature de l'Acte de charge s'entend des signatures apposées sur la Formule 2 ou sur toute annexe s'y rattachant. Toute référence aux articles et aux alinéas s'entend de ceux qui figurent dans le présent Acte de charge.

Si le prêt hypothécaire en cause est un prêt hypothécaire assuré par la SCHL, il est octroyé aux termes de la **Loi nationale sur l'habitation.**

2. OBLIGATIONS DÉCOULANT DU PRÊT HYPOTHÉCAIRE

En contrepartie du prêt que nous vous octroyons (dont vous accusez réception du montant en principal par votre signature au bas de l'Acte de charge), vous vous obligez comme suit :

i) si vous êtes propriétaire de l'unité foncière, à la grever d'une charge à notre profit et à celui de nos successeurs et cessionnaires (nos **ayants droit**);

ou

ii) si vous êtes locataire de l'unité foncière, à grever d'une charge vos droits dans cette unité foncière (toute option d'achat comprise) à notre profit et celui de nos ayants droit, pour la durée complète du bail;

à titre de garantie pour le remboursement du montant du prêt hypothécaire et l'exécution de vos autres obligations aux termes du présent Acte de charge. Vous grevez de ce fait tous vos droits dans l'unité foncière en notre faveur ou celle de tout bénéficiaire d'un transfert éventuel de la charge.

Extinction de la garantie hypothécaire :

Nos droits dans l'unité foncière prennent fin :

- lorsque le montant du prêt est remboursé conformément aux dispositions de l'Acte de charge; et
- que les autres obligations également prévues aux termes du présent Acte de charge ont été remplies.

3. INTÉRÊTS

A. Taux d'intérêt

Le taux d'intérêt applicable au prêt est un taux variable, exprimé sur une base annuelle, correspondant au taux de base variable que nous pratiquons sur les prêts hypothécaires et majoré du pourcentage additionnel indiqué à la case 9(b). Notre taux de base variable pratiqué sur les prêts hypothécaires est le taux de base annuel pratiqué sur les prêts à taux variable consentis sur des immeubles résidentiels situés au Canada et garantis par une hypothèque de premier rang. Dans le présent Acte de charge, ce taux est désigné taux de base.

L'intérêt est calculé mensuellement et non d'avance. Il est payable sur le montant du prêt, tant avant qu'après la date du dernier versement, celle de tout défaut de paiement ou d'un jugement. Le taux d'intérêt est révisé automatiquement et prend effet le premier jour du mois suivant le dernier changement de taux. Chaque fois que, dans le présent Acte de charge, il est fait mention du taux d'intérêt applicable au montant du prêt, il faut entendre le taux de base majoré du pourcentage additionnel indiqué à la case 9(b), calculé et payable selon les modalités également explicitées plus haut.

À la date où le premier signataire appose sa signature au présent Acte de charge, le taux de base et le taux d'intérêt applicable au montant du prêt indiqué dans la case 9(b) demeurent en vigueur jusqu'à ce qu'ils fassent l'objet d'une révision aux termes de l'article 3A. L'article 28 donne un tableau comparatif des taux d'intérêt calculés semestriellement et non d'avance, lesquels correspondent aux taux d'intérêt calculés mensuellement et non d'avance.

Prêt hypothécaire assuré par la SCHL : À la suite de toute majoration du taux d'intérêt applicable au montant du prêt, il vous est loisible de rembourser par anticipation le montant restant dû sur le prêt hypothécaire, sans donner de préavis et sans verser d'indemnité ou de commission de gestion. Le montant du remboursement anticipé doit inclure la somme globale dont vous nous êtes redevable aux termes de l'Acte de charge, l'intérêt couru depuis la date d'effet de la majoration du taux jusqu'à celle du remboursement anticipé étant calculé au taux d'intérêt applicable au montant du prêt immédiatement avant une telle majoration. En outre, le remboursement anticipé doit être effectué dans les 21 jours de la date de prise d'effet de la majoration du taux d'intérêt, sans quoi le taux majoré sera alors applicable au prêt.

B. Détermination du taux d'intérêt

À chaque révision du taux de base, nous vous adressons par courrier, à votre dernière adresse inscrite dans nos registres, un avis indiquant le nouveau taux de base et la date de son entrée en vigueur. Cependant, l'omission de notre part d'adresser un tel avis par la poste ou le fait que vous ne le receviez pas n'a pas pour effet d'empêcher la révision du taux. Il est possible d'obtenir en tout temps le taux de base en vigueur en s'adressant à l'une des succursales de La Banque de Nouvelle-Écosse au Canada.

C. Intérêt composé

Si un versement mensuel n'est pas réglé à la date d'échéance, nous comptons de l'intérêt sur toute portion impayée du montant du prêt (y compris l'intérêt), jusqu'à son complet remboursement. Cet intérêt est dit **composé.** L'intérêt composé est payable aux dates qui coïncident avec les dates des versements mensuels. Nous percevons également de l'intérêt sur l'intérêt composé échu, au taux applicable au montant du prêt, jusqu'à son complet remboursement, tant avant qu'après la date du dernier versement ou de tout défaut de paiement et jugement.

D. Intérêt différé

Si le montant de l'intérêt couru sur le montant du prêt à compter de la date d'un versement mensuel (ou, dans le cas du premier versement, de la date d'ajustement de l'intérêt) jusqu'à celle du versement suivant excède celui du versement mensuel, l'excédent (désigné **intérêt différé**) porte intérêt au taux alors applicable au prêt. À la date du versement mensuel suivant, l'intérêt payable sur l'intérêt différé s'ajoute à cet intérêt différé et en fait partie intégrante. Si l'intérêt différé n'est pas acquitté à cette date du versement mensuel, il porte intérêt au taux d'intérêt applicable au prêt et s'ajoute au montant de l'intérêt différé et ainsi de suite.

4. MODALITÉS DE REMBOURSEMENT

A. Monnaie et lieu de paiement

Le montant du prêt est payable en monnaie canadienne. Les mensualités et autres paiements sont effectués à la succursale dont l'adresse figure à la case 15, ou à tout autre lieu que nous vous aurons indiqué. Les modalités de paiement sont les suivantes :

B. Intérêt payable jusqu'à la date d'ajustement de l'intérêt inclusivement

Antérieurement à l'échéance de la première mensualité, vous devez nous payer de l'intérêt calculé au taux applicable au montant du prêt sur toutes sommes qui vous ont été avancées jusqu'à la date d'ajustement de l'intérêt indiquée dans la case 9(d) ou, si nous le jugeons à propos, cet intérêt peut être déduit du montant de toute avance consentie après cette date. L'intérêt court depuis la date d'une avance et est payable par versements mensuels le premier jour du mois qui suit la date d'une telle avance et à la même date chaque mois par la suite. Le solde d'intérêt sur ces avances, le cas échéant, calculé jusqu'à la date d'ajustement de l'intérêt, échoit et est exigible à cette date.

C. Échéance des versements après la date d'ajustement de l'intérêt

À compter de la date d'ajustement de l'intérêt, le montant du principal, majoré de l'intérêt, est exigible et remboursable sous forme de **mensualités**.

Vous devez acquitter régulièrement le montant de la mensualité stipulé à la case 9(h) à compter de la date indiquée à la case 9(f), et le **PREMIER** jour de chaque mois par la suite, jusqu'à la date précisée à la case 9(g). La date à laquelle il vous incombe d'acquitter un versement est dite **date d'échéance des mensualités**.

Le solde du montant du principal ainsi que l'intérêt échu sont payables à la date indiquée à la case 9(i), qui correspond à celle indiquée à la case 9(g) et qui est appelée **date du dernier versement**.

D. Imputation des mensualités

Chaque mensualité est imputée :

– **en premier lieu**, au paiement ou à la réduction du montant de l'intérêt couru (autre que l'intérêt différé) sur le montant du prêt à compter (inclusivement) de la date d'échéance des mensualités du mois précédent jusqu'au jour précédant la date d'échéance des mensualités à laquelle le versement est effectué (s'il s'agit du premier versement, l'intérêt correspond à l'intérêt couru depuis la date d'ajustement de l'intérêt);

– **en deuxième lieu**, s'il y a un reliquat, au paiement ou à la réduction, le cas échéant, de l'intérêt différé; et

– **en troisième lieu**, s'il y a un reliquat, à la réduction du montant du prêt.

L'article 27 du présent Acte de charge explique le mode de calcul de l'intérêt payable aux termes de l'Acte de charge. Vous pouvez ainsi établir la part de chaque versement mensuel au titre du prêt qui sera affectée au remboursement de l'intérêt et, le cas échéant, à celui du principal.

E. Exigibilité anticipée en cas de vente ou de transfert d'hypothèque

Nous sommes fondés à exiger le paiement immédiat de la somme globale dont vous nous êtes redevable aux termes de l'Acte de charge, en cas de vente, de transfert ou de constitution d'une hypothèque ou d'une charge sur l'unité foncière. Le présent alinéa ne s'applique pas à une vente, un transfert, une hypothèque ou une charge à laquelle nous avons préalablement consenti par écrit.

F. Remboursement anticipé

Remboursement anticipé

Vous pouvez rembourser à l'avance une partie ou la totalité du prêt hypothécaire selon le type de prêt. Si nous convenons plus tard de modifier ou de proroger la durée du prêt, ces conditions relatives au remboursement anticipé ne s'appliqueront pas à la durée modifiée ou prorogée.

Option «Temps d'arrêt»

Vous pouvez omettre d'effectuer un versement à la date d'échéance prévue pourvu que vous ayez fait un versement anticipé d'un montant équivalent aux versements que vous prévoyez omettre pendant la durée du prêt en cours et que le prêt hypothécaire soit en règle. Toutefois, le cas échéant, vous ne pouvez omettre de payer la prime d'assurance hypothécaire. Des versements supplémentaires ou des remboursements anticipés ne peuvent être utilisés pour omettre un versement dans le cas où le prêt hypothécaire serait pris en charge par un nouvel acheteur.

Maintien des obligations

À moins que vous n'ayez remboursé le solde en principal du prêt, vous devez effectuer régulièrement le paiement des mensualités.

Si le contrat de prêt hypothécaire ne comporte pas de taux d'intérêt maximum

Si le contrat de prêt hypothécaire ne comporte pas de taux d'intérêt maximum et que les versements sont en règle, vous pouvez rembourser la totalité ou une partie du solde en principal du prêt hypothécaire à n'importe quelle date d'échéance régulière. Si vous remboursez le solde entier du prêt, vous devez payer des frais d'administration correspondant à 100 $ par année ou partie d'année restant à courir avant l'échéance.

Si le contrat de prêt hypothécaire comporte un taux d'intérêt maximum

Si le contrat de prêt hypothécaire comporte un taux d'intérêt maximum et que les versements sont en règle, vous pouvez augmenter le montant des versements ou rembourser par anticipation une partie du prêt selon l'une des options décrites dans le tableau qui suit. Ces options ne s'appliquent qu'à des remboursements partiels. Vous pouvez les exercer chaque année, sans possibilité de report à une année ultérieure. Le terme «année» désigne une période de 12 mois commençant à la date d'ajustement de l'intérêt ou à la date anniversaire de celle-ci.

OPTIONS DE REMBOURSEMENT ANTICIPÉ		
Comment	**Quand**	**Résultat**
1 *En effectuant un versement hypothécaire régulier supplémentaire (capital, intérêts et impôt foncier)	À n'importe quelle date de versement hypothécaire régulier	Le montant en capital de votre prêt hypothécaire est réduit de ce montant
2. *En remboursant jusqu'à 15 % du montant initial en capital de votre prêt hypothécaire	En tout temps, la somme totale ne devant pas excéder le maximum annuel	
3. En augmentant vos mensualités hypothécaires régulières d'un montant pouvant atteindre jusqu'à 15 % du versement en capital et intérêts établi pour la durée du prêt hypothécaire	Une fois chaque année de la durée de votre prêt hypothécaire	

*Seules les options 1 et 2 permettent d'omettre un versement.

Remboursement anticipé - Pénalité

Lorsque vous remboursez par anticipation la totalité ou une partie du prêt hypothécaire, vous devez payer une pénalité à moins que le remboursement partiel ne soit conforme au tableau des options de remboursement anticipé.

Le montant de la pénalité pour le remboursement anticipé de la totalité ou d'une partie du prêt hypothécaire correspond à trois mois d'intérêt calculé au taux d'intérêt maximum.

Mégaprime (cette offre spéciale peut être retirée sans préavis et n'est applicable qu'aux PHTV de 3 ans)

Pour les prêts hypothécaires consentis dans le cadre du programme de mégaprimes dont le montant en principal a été entièrement décaissé selon le montant indiqué dans la case 9(a), nous accordons une réduction de 1 % du montant en principal du prêt hypothécaire ou remettons une prime en espèces du même montant aux conditions qui suivent :

(A) Le montant de la prime doit nous être remboursé si nous ne restons pas créanciers du prêt pendant la totalité de la durée de trois ans. Si le prêt est remboursé en totalité, transféré ou renouvelé selon les conditions d'un prêt à taux fixe de 2 ans ou moins avant l'échéance de la durée initiale de trois ans, toute quittance indiquera que le montant de la prime est exigible, laquelle prime sera calculée au prorata comme suit :

- 100 % du montant de la prime si le remboursement/renouvellement a lieu au cours de la première année de la durée de 3 ans du PHTV.
- 66 % du montant de la prime si le remboursement/renouvellement a lieu au cours de la deuxième année de la durée de 3 ans du PHTV.
- 33 % du montant de la prime si le remboursement/renouvellement a lieu au cours de la troisième année de la durée de 3 ans du PHTV.

(B) Le montant de la prime est remboursable à demande, selon notre choix, si le montant en principal du prêt qui est exigible devait être inférieur à dix pour cent (10 %) du montant en principal initial, tel qu'il est indiqué plus haut, au cours de la durée de trois ans du prêt hypothécaire, et ce, à compter de la date du décaissement.

Si la prime de 1 % est accordée sous forme de réduction du montant en principal, ladite réduction prend effet le premier jour ouvrable suivant la date d'ajustement de l'intérêt, et tout échange portant sur le prêt hypothécaire fera état du montant total en principal avant ladite réduction.

La présente offre ne peut être jointe à aucune autre offre de réduction ou réclame de crédit hypothécaire au cours de la durée de trois (3) ans depuis la date de décaissement.

5. DROIT DE PROPRIÉTÉ

A. À titre de propriétaire de l'unité foncière, vous attestez :

- i) être le propriétaire légitime de cette unité foncière;
- ii) être fondé en droit à nous consentir une hypothèque;
- iii) que votre titre de propriété est libre de toute charge;
- iv) que votre titre de propriété est libre de toute servitude, sauf en ce qui a trait aux règles du code du bâtiment, aux règlements relatifs au zonage et aux servitudes régulièrement enregistrées. Les dispositions de l'alinéa A sont applicables, à moins que vous ne nous ayez informés par écrit que vous êtes locataire en vertu d'un bail de l'unité foncière; auquel cas les dispositions de l'alinéa B sont applicables.

B. À titre de locataire de l'unité foncière :

- i) vous attestez que :
  - a) l'unité foncière a été prise en location par vous ou vos ayants droit en vertu d'un bail, dont copie nous a été remise;
  - b) le bail est en vigueur, a force probante et tous les renseignements que vous nous avez fournis à son sujet sont véridiques;
  - c) tous les loyers payables en vertu du bail ont été acquittés à la date de signature de l'Acte de charge;
  - d) vous avez le droit ou l'autorisation de céder, d'hypothéquer ou de grever le bail;
  - e) vos droits à l'égard du bail, sauf stipulations contraires dans le bail, ne sont assujettis à aucune limitation, restriction ou charge, exception faite des règles du code du bâtiment, des règles de zonage et des servitudes régulièrement enregistrées.

ii) vous vous obligez :

a) à payer le loyer à l'échéance;

b) à respecter les autres conditions du bail et à vous abstenir de tout ce qui pourrait entraîner sa résiliation;

c) à ne pas rétrocéder le bail;

d) à ne pas modifier le bail sans avoir au préalable obtenu notre consentement écrit;

e) à nous remettre copie conforme de tout avis ou requête qui vous est adressé concernant le bail;

f) à nous aviser sans délai, au cas où le propriétaire vous ferait part de la résiliation anticipée du bail ou prendrait des dispositions à cet effet.

C. Vous devez éviter tout ce qui pourrait porter atteinte à nos droits sur l'unité foncière.

D. Vous vous engagez à signer tous autres documents et à accomplir toutes formalités que nous jugeons nécessaires pour assurer le transfert à notre profit de vos droits dans l'unité foncière.

6. USAGE DE L'UNITÉ FONCIÈRE

Vous ne pouvez pas effectuer d'ajouts, de modifications ou d'améliorations à l'unité foncière et devez éviter de l'utiliser à des fins professionnelles sans avoir obtenu au préalable notre consentement écrit.

7. NOUS N'AVONS AUCUNE OBLIGATION DE VOUS VERSER DES AVANCES AUX TERMES DE L'ACTE DE CHARGE

Nous pouvons, si nous le jugeons à propos, pour un motif quelconque, nous abstenir de vous verser tout ou partie du montant du principal, même si l'Acte de charge est déjà rédigé, signé ou enregistré, et qu'une partie du principal ait été ou non décaissée. En apposant votre signature sur l'Acte de charge, vous nous cédez tous vos droits sur l'unité foncière. Vous devez nous rembourser, sur demande, de tous nos frais engagés pour constater vos droits sur l'unité foncière et pour la rédaction et l'enregistrement de l'Acte de charge.

8. IMPÔT FONCIER

A. Vous devez acquitter chaque mois, en même temps que le versement sur le prêt, une part du montant de l'impôt foncier. Fixé à un douzième du total de l'impôt foncier estimatif sur l'unité foncière pour l'année considérée, le montant de cet impôt mensuel peut être rajusté pour tenir compte de toute modification apportée au taux d'imposition annuel applicable à l'unité foncière. La quote-part de l'impôt foncier ainsi acquitté mensuellement doit nous permettre de régler annuellement le montant intégral de l'impôt foncier au plus tard à la date d'échéance. Si l'impôt foncier est payable par versements, les paiements effectués mensuellement par vous à ce titre doivent nous permettre d'acquitter intégralement le total des versements au titre de l'impôt foncier au plus tard à la date d'échéance du premier versement.

B. Si, toutefois, un intervalle de moins de un an sépare la date d'ajustement de l'intérêt de la date d'échéance annuelle de l'impôt foncier ou de celle du premier versement à ce titre, vous devez nous verser mensuellement des montants égaux durant cette période et au cours des douze mois qui suivent. Nous nous fondons, pour fixer le montant de ces paiements mensuels, sur notre estimation du total de l'impôt foncier payable pour les deux périodes, afin de nous permettre de percevoir un montant suffisant pour régler intégralement cet impôt à l'échéance.

C. Vous devez également régler, sur demande, tout excédent de l'impôt foncier sur le montant estimatif calculé par nous. Pour couvrir cet excédent, nous pouvons, si nous le jugeons à propos, majorer le montant acquitté par vous mensuellement à ce titre.

D. Le montant perçu auprès de vous mensuellement est régulièrement affecté au paiement de l'impôt foncier, sauf en cas de retard de paiement de votre part. Nous ne sommes nullement tenus de régler l'impôt foncier aux dates d'échéance ou plus d'une fois l'an. Nous acquittons l'impôt foncier même si le montant reçu de vous est insuffisant, votre compte d'impôt foncier indiquant alors un solde débiteur qui doit être immédiatement réglé. Nous ne sommes pas tenus de vous signaler que ce compte est débiteur.

E. Sur tout solde créditeur à votre compte d'impôt foncier, de l'intérêt est calculé à un taux d'intérêt non inférieur à celui versé par La Banque de Nouvelle-Écosse sur les comptes-chèques d'épargne. Sur tout solde débiteur à votre compte d'impôt foncier, de l'intérêt est imputé au taux applicable au montant du prêt jusqu'au complet règlement de ce découvert.

F. À défaut de votre part d'acquitter tout montant qui nous est dû à l'échéance, nous pouvons prélever un tel montant sur les fonds en dépôt dans votre compte d'impôt foncier.

G. Une somme peut être déduite du montant de la dernière avance payable au titre du principal du prêt pour assurer le règlement de tout l'impôt foncier payable jusqu'à la date d'ajustement de l'intérêt et non acquitté à la date de la dernière avance.

H. Vous nous transmettrez sans délai tous avis d'évaluation, d'imposition ou de cotisation qui vous sont adressés.

9. PAIEMENTS EFFECTUÉS POUR VOTRE COMPTE

Il nous est loisible de libérer l'unité foncière de tous privilèges, droits et charges qui, à notre avis, ont priorité sur notre créance, et également d'acquitter les frais que nous avons engagés pour recouvrer les sommes que vous n'avez pas acquittées à l'échéance, nos frais juridiques compris calculés sur la base avocat-client. Vous devez nous rembourser de tels frais dans les plus brefs délais.

Si nous libérerons l'unité foncière de tous privilèges, droits et charges, il y a subrogation en notre faveur des droits, titres et sûretés de la personne physique ou morale, société ou Administration qui a été ainsi désintéressée. Si nous le jugeons opportun, nous sommes autorisés à conserver pendant six mois ou plus toute quittance.

10. CESSION DE BAUX ET LOYERS

A. En cas de location actuelle ou éventuelle à des tiers de la totalité ou d'une partie de l'unité foncière, sur notre demande écrite, vous nous cédez :

- i) tous baux, contrats de location et renouvellements s'y rapportant;
- ii) tous loyers et toutes sommes exigibles aux termes des baux et contrats de location. Nous pouvons, toutefois, vous autoriser à percevoir les loyers, pourvu que les versements soient en règle et que vous vous soyez conformé à vos autres obligations en vertu de l'Acte de charge;
- iii) tous droits afférents aux baux et aux contrats de location ayant une incidence sur l'unité foncière.

B. Vous acceptez de plus les conditions suivantes :

- i) vous devez obtenir notre consentement écrit avant d'octroyer de nouveaux baux ou de renouveler un bail en cours (sauf s'il s'agit d'un renouvellement prévu aux termes d'un bail déjà conclu);
- ii) aucune intervention de notre part aux termes du présent article 10 ne peut nous mettre en possession de l'unité foncière;
- iii) en cas de défaut de paiement de votre part, toutefois, nous sommes habilités à prendre possession de l'unité foncière;
- iv) nous n'avons aucune obligation de percevoir les loyers ou autres revenus ni de nous conformer aux conditions d'un bail ou d'un contrat de location.

11. ASSURANCES

Vous devez sans délai assurer et tenir constamment assurés à notre profit et jusqu'à libération de l'hypothèque, tous les immeubles grevés par cette hypothèque (y compris, tant pendant qu'après les travaux, ceux qui pourront être construits dans l'avenir) contre les risques de perte ou de dommages par incendie et autres risques habituellement couverts par les polices d'assurance-incendie et contre tous autres risques qu'il nous appartient de déterminer. Une telle assurance doit être souscrite auprès d'un assureur ayant notre agrément, pour un montant en dollars canadiens correspondant à la valeur de remplacement de l'immeuble (montant maximum pouvant être souscrit). Établie dans des formes jugées par nous acceptables, cette assurance doit comporter les garanties annexes et une clause nous désignant comme bénéficiaire de l'indemnité en cas de sinistre. Vous vous engagez à nous transférer, sur notre demande, toutes les polices d'assurance et quittances afférentes aux immeubles, ainsi que le produit de telles assurances.

À défaut de votre part :

- de tenir les immeubles assurés d'une façon que nous jugeons conforme aux instructions qui précèdent;
- de nous remettre, sur notre demande, toute police d'assurance ou toute quittance;
- de nous fournir, sur demande, au moins quinze jours complets avant la date d'expiration ou de résiliation d'une assurance, une preuve de renouvellement ou de souscription d'une nouvelle assurance,

nous pouvons, sans y être tenus, souscrire une assurance sur les immeubles hypothéqués et le montant de la prime d'une telle assurance s'ajoutera à la somme que vous nous devez aux termes de l'Acte de charge et portera intérêt au taux applicable à celui-ci. Vous devez acquitter cette prime à l'échéance de la mensualité la plus rapprochée. En cas de perte ou dommage, vous devez nous fournir immédiatement, à vos frais, toutes les preuves du sinistre et accomplir toutes les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. La remise à l'assureur d'un exemplaire du présent Acte de charge constitue une autorisation suffisante lui permettant de nous verser le montant de cette indemnité ou d'accepter nos instructions relatives au règlement du sinistre.

À notre choix, le montant de l'indemnité peut en totalité ou en partie :

- a) être affecté à la reconstruction ou à la réparation des immeubles endommagés;
- b) vous être versé;
- c) être versé à une autre personne propriétaire ou à un ancien propriétaire de l'unité foncière, selon ce qu'indique le titre de propriété enregistré;
- d) être affecté à la réduction intégrale de toute portion du montant du prêt, qu'il soit ou non arrivé à échéance.

Si l'unité foncière est une partie privative d'une copropriété, les dispositions de l'alinéa E de l'article 21 sont applicables, mais non celles du présent article 11.

12. MAINTIEN DES LIEUX EN BON ÉTAT

Vous vous engagez à maintenir les locaux en bonne condition et à y effectuer toutes les réparations nécessaires. Vous ne pouvez faire et n'autorisez personne à faire quoi que ce soit qui puisse diminuer la valeur de l'unité foncière. Nous pouvons en faire l'inspection à toute heure raisonnable. Au cas où nous jugerions que :

- vos locaux ne sont pas tenus en bon état;
- vous faites ou tolérez quoi que ce soit susceptible de diminuer la valeur de l'unité foncière;

nous pouvons effectuer les réparations que nous estimons nécessaires. Vous devez nous rembourser immédiatement tous les frais d'inspection et de réparation engagés par nous.

13. DISPOSITIONS RELATIVES À L'ENVIRONNEMENT

Nous (et, aux fins du présent article, la Société canadienne d'hypothèques et de logement, s'il s'agit d'un prêt assuré par cette société) pouvons inspecter l'unité foncière et les bâtiments qui s'y trouvent, quand nous le jugeons à propos. Nous pouvons procéder à de telles inspections à toutes fins utiles, mais en particulier pour effectuer des évaluations environnementales, des évaluations des lieux et des vérifications ou études que nous jugeons nécessaires. Les frais engagés pour de telles évaluations, vérifications ou études sont à votre charge et doivent nous être remboursés dès réception d'un avis à cet effet. S'ils ne sont pas acquittés sur demande, ces frais s'ajoutent au solde du prêt et portent intérêt au taux applicable à ce prêt. Aucune intervention de notre part en application des dispositions du présent article n'est assimilable à une prise de contrôle de l'unité foncière.

14. EXIGIBILITÉ ANTICIPÉE DU PRÊT

Nous pouvons exiger le paiement immédiat du montant du prêt si :

- a) vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable aux termes de l'Acte de charge;
- b) vous ne remplissez pas certaines autres obligations contractées en vertu de l'Acte de charge;
- c) un privilège est enregistré à l'encontre de l'unité foncière ou nous sommes avisés par écrit qu'un privilège a été constitué en raison du non-paiement de l'impôt foncier, des charges communes dans le cas d'un logement en copropriété, d'un jugement, du privilège d'un constructeur ou d'autres charges semblables;
- d) l'unité foncière est abandonnée;
- e) des travaux de construction, d'agrandissement ou de rénovation entrepris sur l'unité foncière demeurent inachevés, l'arrêt des travaux se poursuivant depuis trente jours consécutifs.

15. NOMINATION D'UN SÉQUESTRE

Si vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable, ou de satisfaire aux obligations contractées aux termes de l'Acte de charge, nous pouvons désigner par écrit un **séquestre** (y compris un séquestre-gérant) qui sera chargé de percevoir les revenus afférents à l'unité foncière. Nous pouvons également désigner par écrit un nouveau séquestre en remplacement de celui désigné par nous précédemment. Le séquestre est réputé être votre mandataire et non le nôtre et vous assumez la responsabilité de ses manquements.

Le séquestre est habilité :

- à exercer tout recours disponible (en votre nom ou au nôtre) en vue de percevoir les revenus afférents à l'unité foncière;
- à prendre possession de tout ou partie de l'unité foncière; et
- à l'administrer et à la conserver en bon état.

Sur les revenus perçus, le séquestre peut :

a) conserver une commission égale à 5 % du total des fonds perçus, ou d'un taux plus élevé autorisé par un juge ou un autre fonctionnaire public;

b) conserver une somme suffisante pour acquitter les frais engagés pour percevoir ces revenus;

c) acquitter tous impôts et taxes, primes d'assurance-incendie, frais d'entretien de l'unité foncière, intérêts dus, charges qui ont priorité sur notre créance hypothécaire et intérêts connexes;

d) acquitter l'intérêt qui nous est dû en vertu de l'Acte de charge et nous verser toute autre somme payable aux termes dudit Acte de charge, qu'elle soit échue ou non.

Aucune intervention du séquestre ne peut avoir pour effet de nous mettre en possession de l'unité foncière ou de nous rendre redevable de toutes sommes, à l'exception de celles qui nous ont été versées.

16. EXERCICE DE NOS DROITS

A. Défaut de paiement

En cas de non-paiement d'une mensualité à l'échéance ou de tout autre paiement auquel vous êtes tenu en vertu de l'Acte de charge, nous pouvons exercer un ou plusieurs des recours suivants, sans ordre prédéterminé :

i) **Poursuite** – Nous pouvons vous intenter, s'il y a lieu, une action afin d'obtenir le remboursement du montant du prêt;

ii) **Forclusion ou vente de l'unité foncière** – Nous pouvons entamer une poursuite en vue d'obtenir une ordonnance de forclusion de vos droits, titre et droit de rachat sur tout ou partie de l'unité foncière. Si nous obtenons une ordonnance définitive portant forclusion, l'unité foncière deviendra de plein droit notre propriété.

Nous pouvons également nous adresser à un tribunal pour que soit ordonnée la vente de l'unité foncière. Dans un tel cas, le tribunal veille au déroulement de la procédure. Le produit net de la vente est affecté à la réduction du montant du prêt. Toute somme restante, une fois les créances réglées, vous est remise. Si le produit de la vente ne couvre pas intégralement le montant du prêt, vous devez nous verser la différence.

iii) **Pouvoir de vendre** – Lorsqu'un paiement est en souffrance depuis quinze jours, nous pouvons, moyennant un préavis de 35 jours, pénétrer dans l'unité foncière et :

a) en prendre possession;

b) vendre tout ou partie de l'unité foncière (au comptant ou à crédit, ou partiellement au comptant et partiellement à crédit) par vente publique ou de gré à gré, au prix et aux conditions qu'il appartient de déterminer;

c) la donner en location, à des conditions et pour une durée qu'il nous appartient de déterminer;

d) exercer tout autre recours à notre disposition en vertu des lois de l'Ontario.

Tout avis est donné, à vous et aux autres intéressés, selon les formes prescrites par la loi au moment de la notification. En l'absence de telles exigences, notification peut vous être donnée de l'une ou plusieurs des façons suivantes :

- notification en personne à votre dernière adresse connue;
- envoi recommandé à votre dernière adresse connue;
- avis dans un journal publié dans le comté ou la localité où se trouve l'unité foncière;
- remise sur place à un adulte;
- affichage d'un avis sur l'unité foncière.

Après un retard de paiement de trois mois, nous sommes fondés à pénétrer dans l'unité foncière, à la vendre ou à la louer, sans vous adresser d'avis, sauf s'il est requis par la loi.

Le produit net de la vente ou de la location peut être affecté en réduction du montant du prêt, et tout solde restant vous est remis, une fois toutes les créances remboursées. Si le montant que nous touchons de la vente ou de la location de l'unité foncière ne couvre pas entièrement le montant du prêt, vous devez nous verser la différence.

B. Manquement aux obligations, défaut de paiement compris – Si vous manquez aux obligations qui vous incombent aux termes de l'Acte de charge (défaut de paiement explicité sous A compris), nous sommes fondés à exercer nos droits susmentionnés, à pénétrer dans l'unité foncière en tout temps, sans la permission de quiconque, et à prendre toutes mesures que nous jugeons souhaitables aux fins suivantes :

- inspecter, louer, ou administrer l'unité foncière, et percevoir tous loyers;
- y réparer ou remettre en état tout bâtiment;
- y achever la construction de tout bâtiment.

Nous pouvons également prendre toutes mesures nécessaires pour prendre, recouvrer et conserver la possession de l'unité foncière.

C. Vente de biens (prêts hypothécaires commerciaux uniquement) – Si le prêt en cause est un prêt hypothécaire commercial, en cas de non-paiement d'une mensualité à l'échéance, nous pouvons saisir vos marchandises. En d'autres termes, il nous est loisible de prendre ces marchandises et de les vendre, en conformité avec les lois de l'Ontario. Le produit net d'une telle vente peut être appliqué en réduction du montant du prêt. Une telle intervention ne peut nous mettre en possession de l'unité foncière, ni engager notre responsabilité à l'égard de sommes quelconques, sauf celles réellement perçues.

D. Aucune opposition de votre part – Vous vous engagez à ne pas faire opposition à la prise de possession de l'unité foncière (si cette prise de possession découle de l'exercice de nos droits précités), ainsi qu'à la prise de possession par des tiers, en cas de vente ou de location par nous ou par un séquestre. Vous vous engagez, en pareil cas, à ne pas poursuivre en justice l'acquéreur, le locataire ou un séquestre, ou quiconque pourra en faire l'acquisition ou la location par la suite.

E. Nos frais – Vous êtes tenu de nous rembourser immédiatement tous les frais engagés pour faire valoir nos droits, notamment ceux engagés pour prendre ou garder possession de l'unité foncière, la rémunération des services du personnel de la Société hypothécaire Scotia et/ou de La Banque de Nouvelle-Écosse, nos frais juridiques sur une base avocat-client, et tous autres frais relatifs à la protection de nos droits en vertu de l'Acte de charge.

F. Jugements – Au cas où un jugement serait rendu contre vous du fait de l'inobservation de vos obligations aux termes de l'Acte de charge, il n'y a pas alors confusion des droits découlant d'un tel jugement avec nos autres recours ou droits, aux fins d'assurer l'exécution de vos autres obligations en vertu de l'Acte de charge. Nous continuons d'avoir droit au paiement de l'intérêt calculé sur le montant du prêt au taux qui lui est applicable, aux intervalles prévus aux termes de l'Acte de charge. L'intérêt prévu en cas de jugement est calculé aux mêmes conditions que celui payable sur le montant du prêt; et ce jusqu'à ce que le jugement ait cessé de produire ses effets.

17. EXERCICE DIFFÉRÉ DE NOS DROITS

Ni un délai de paiement ou une prorogation de la durée consenti à vous ou à une autre personne du fait de l'exercice de nos droits aux termes de l'Acte de charge et ni la conclusion d'un accord visé à l'article 20, n'a d'incidence sur nos droits :

a) de recevoir tous paiements dont vous nous êtes redevable, lorsqu'ils sont dus et exigibles;
b) d'exiger le remboursement du montant du prêt et de tous intérêts échus, en cas de défaut de paiement de votre part;
c) d'exiger l'accomplissement de toutes les obligations qui vous incombent aux termes de l'Acte de charge;
d) d'assurer le respect des obligations contractées envers nous par toute autre personne aux termes de l'Acte de charge.

18. PRÊT HYPOTHÉCAIRE À LA CONSTRUCTION

Par **amélioration**, il faut entendre toute modification, ajout ou réparation apporté à un bâtiment faisant partie de l'unité foncière, ou toute construction, aménagement ou installation, qui y est effectué. Si l'objet du prêt est de financer une telle amélioration, vous devez nous en informer par écrit immédiatement et avant le décaissement de toute avance aux termes du présent Acte de charge. Vous devez également nous remettre sans délai copies de tous contrats et contrats de sous-traitance ayant trait à ces travaux et de toutes dispositions modificatives s'y rapportant. Les travaux doivent être effectués uniquement selon les contrats, les plans et les devis ayant reçu au préalable notre approbation écrite. Ces travaux de construction ou d'amélioration doivent être effectués avec toute la diligence possible et sur demande, vous devez nous fournir tous documents justifiant du paiement de ces travaux. Nous vous consentirons des avances (à valoir sur le montant du principal) selon l'avancement des travaux, jusqu'à l'achèvement et l'occupation ou la vente de l'unité foncière. Il nous appartient de déterminer l'opportunité et le moment de telles avances. Quel que soit l'objet du prêt, nous pouvons, si nous le jugeons à propos, faire une retenue sur le montant des avances, jusqu'à ce que nous ayons la certitude que vous vous êtes conformé aux dispositions relatives aux retenues prévues dans la Loi sur le privilège dans l'industrie de la construction, et dans toute version modifiée de cette loi. Vous nous autorisez à fournir des renseignements concernant l'Acte de charge à toute personne bénéficiant d'un privilège du constructeur.

19. MAINLEVÉE DE L'HYPOTHÈQUE SUR L'UNITÉ FONCIÈRE

Nous pouvons fixer les conditions pour la mainlevée de nos droits sur tout ou partie de l'unité foncière (nous pouvons en d'autres termes la libérer totalement ou partiellement de cette charge), que nous ayons ou non reçu une contrepartie. En cas de libération partielle de l'unité foncière, la partie restante continue de garantir le montant du prêt. Nous n'avons à rendre compte que des sommes effectivement perçues.

Si l'unité foncière est lotie avant que nos droits sur celle-ci prennent fin, la garantie que constitue la présente hypothèque porte sur chacun des lots subdivisant l'unité foncière. Cela signifie que chaque lot garantit le remboursement du plein montant que vous nous devez, même si nous accordons la mainlevée de la présente hypothèque relativement à d'autres lots du bien-fonds.

Si une partie de l'unité foncière ou tout terrain attenant à celle-ci fait l'objet d'une expropriation ou d'une autre procédure semblable, le montant total de l'indemnité à laquelle vous pourriez avoir droit peut être affecté, si nous le jugeons à propos, au remboursement du solde exigible sur le prêt hypothécaire, y compris les pénalités, les frais ou l'intérêt auxquels nous avons droit aux termes du présent Acte de charge ou en vertu des lois applicables.

Nous pouvons vous libérer, de même que le garant ou toute autre personne, de l'exécution d'une obligation prévue dans le présent Acte de charge ou dans un autre document constitutif de garantie, sans qu'il y ait libération de quelque partie de l'unité foncière affectée en garantie ou de toute autre sûreté. Une telle libération ne libère pas une autre personne de ses obligations aux termes du présent Acte de charge.

20. RENOUVELLEMENT OU MODIFICATION DU PRÊT HYPOTHÉCAIRE

Nous pouvons passer des conventions écrites avec vous (ou avec toute personne à qui l'unité foncière est cédée) afin d'apporter aux conditions du prêt hypothécaire des modifications telles que la prorogation des délais de paiement, le renouvellement ou la prolongation de la durée, la modification du taux d'intérêt, etc. Que l'unité foncière soit grevée ou non par une autre charge au moment de la passation d'une convention, l'enregistrement d'une telle convention modificative n'est pas requis pour maintenir la priorité du rang de l'hypothèque sur tout autre acte enregistré après l'octroi du prêt. Toute référence dans le présent Acte de charge au prêt hypothécaire s'entend du prêt hypothécaire tel que modifié par une telle convention.

21. DISPOSITIONS RELATIVES AUX CONDOMINIUMS

Si l'unité foncière est une partie privative d'un condominium, vous devez respecter les modalités énoncées dans le présent article 21, en plus des autres dispositions du présent Acte de charge (à l'exception de celles qui figurent à l'article 11).

Dans le présent article, la Loi sur les condominiums, y compris toutes dispositions nouvelles ou modifiées de cette loi, est désignée la **Loi**. Les termes utilisés ci-après ont le sens qui leur est attribué dans la Loi, sauf que l'expression **propriété condominiale** a le même sens que le terme «propriété» utilisé dans la Loi.

A. Vous vous engagez à vous conformer aux dispositions de la Loi, ainsi qu'à la déclaration, au règlement administratif et aux règles de l'**association condominiale** visant la propriété condominiale, et à nous fournir, sur demande, des preuves que vous respectez ces exigences.

B. Aux dates d'échéance, vous devez régler à l'association condominiale le montant des dépenses communes. Si, par ailleurs, nous exerçons notre droit de percevoir votre quote-part de ces dépenses, vous devez nous en faire tenir le montant, au reçu d'un avis de notre part à cet effet. Nous pouvons nous fonder sur un relevé en apparence émis par l'association condominiale comme d'une preuve suffisante du montant des dépenses communes et de leur date d'échéance.

C. Vous devez nous transmettre tous avis, évaluations, règlement administratif, règles et états financiers que l'association condominiale peut ou doit vous adresser.

D. Vous devez tenir en bon état les améliorations apportées à l'unité et y effectuer, s'il y a lieu, les réparations nécessaires.

E. **Assurances** – Indépendamment des assurances que doit souscrire l'association, vous êtes tenu :

- i) d'assurer les améliorations apportées par vous-même ou les précédents propriétaires à l'unité;
- ii) de souscrire une assurance pour les risques supplémentaires que nous pouvons vous indiquer;
- iii) de tenir assurés vos droits indivis ou autres dans les immeubles en copropriété (actuels ou futurs, au stade de la construction et par la suite), qui font partie de la propriété condominiale ou des actifs de l'association condominiale, si celle-ci néglige de le faire ou si nous vous donnons des instructions à cet effet;
- iv) de nous céder vos polices d'assurance et (dans les limites permises par la loi) vos droits sur les polices souscrites par l'association;
- v) de nous fournir une preuve que l'assurance est en vigueur, ainsi qu'un justificatif du renouvellement ou du remplacement de l'assurance, dans les quinze jours qui précèdent son expiration ou sa résiliation;
- vi) d'accomplir toutes les formalités nécessaires pour assurer le paiement de l'indemnité prévue.

Les polices d'assurance souscrites par vous (et par l'association) doivent être conformes aux règles suivantes :

– l'unité condominiale doit être assurée contre les dommages ou la destruction causés par l'incendie, et contre tous autres risques stipulés par nous à la pleine valeur de remplacement en dollars canadiens (montant maximum de la couverture);

– la compagnie d'assurances et les modalités de la police doivent avoir notre agrément.

À défaut de votre part d'assurer l'unité condominiale en accord avec les dispositions du présent article 21, nous pouvons souscrire à votre place, sans y être tenus, les assurances requises, et vous devez nous rembourser aussitôt les primes s'y rapportant. En cas de sinistre, vous vous engagez à nous fournir, immédiatement, à vos frais et en votre nom et celui de l'association condominiale, toutes les preuves requises, et à accomplir les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. Vous devez faire en sorte que l'association condominiale s'acquitte de ses charges et obligations aux termes de la **Loi sur les condominiums** et de son règlement administratif.

Dans les limites permises par la loi, le produit de l'assurance peut, en tout ou en partie :

- a) être affecté à la reconstruction ou à la réparation de l'unité;
- b) vous être versé;
- c) être versé à toute autre personne propriétaire ou qui a déjà été propriétaire de l'unité, selon ce qu'indique le titre de propriété; ou
- d) être affecté, si nous le jugeons à propos, à la réduction d'une partie du montant du prêt, qu'il soit ou non arrivé à échéance.

F. **Frais supplémentaires à votre charge** – Outre les charges afférentes à nos autres droits et recours aux termes de l'Acte de charge, vous devez nous régler sans délai les frais que nous avons engagés du fait :

- de tout règlement administratif, de toute résolution, règle ou autre point (sauf dans le cas où un vote de la majorité présente à l'assemblée est requis);
- de l'exercice de nos droits pour obtenir de l'association ou de tout propriétaire l'adhésion à la loi, à la déclaration, au règlement administratif et aux règles;
- de l'exercice de tout droit de vote dont nous pouvons disposer.

Lorsque nos frais concernent l'unité ainsi que d'autres, vous n'avez à acquitter que les frais applicables à la vôtre.

G. Droits de vote et autres droits – Vous nous autorisez à exercer, aux termes de la Loi, votre droit de vote pour ou contre la question mise aux voix. Nous sommes également autorisés à exercer vos droits aux fins suivantes :

- exiger de l'association qu'elle rachète l'unité et vos droits indivis, lorsque la Loi le permet;
- faire évaluer l'unité et vos droits indivis ou la propriété condominiale par voie d'arbitrage;
- recevoir votre part de l'actif de l'association et le produit de la vente de l'unité et de vos droits indivis ou de la propriété condominiale ou d'une quelconque portion des parties communes.

Vous pouvez exercer vos droits, selon les instructions que nous vous donnons, si nous choisissons de ne pas les exercer. Avant une telle intervention de votre part, vous devez obtenir au préalable notre autorisation écrite. Une telle autorisation est requise même si nous ne disposons pas vis-à-vis de l'association d'un tel droit d'intervention, et même si nous avions déjà pris des mesures pour vous permettre d'exercer ce droit.

Aucun acte que nous accomplissons en application des dispositions du présent article n'a pour effet de nous mettre en possession de la propriété condominiale. Nous ne sommes nullement responsables des actes autorisés par vous que nous pourrions accomplir ou du défaut d'exécution de tels actes. Nous pouvons en tout temps révoquer les dispositions prises par nous pour vous permettre d'exercer vous-même les pouvoirs que vous nous aviez délégués.

H. Nos autres droits en vertu de l'Acte de charge – Vous nous autorisez de plus à :

i) inspecter la propriété condominiale à tout moment jugé raisonnable;

ii) y effectuer des travaux de réfection ou de réparation au cas où elle subirait des dommages;

iii) examiner les registres de l'association;

iv) intervenir au cas où vous négligeriez d'observer les dispositions de la Loi, de la déclaration, du règlement administratif et des règles de l'association.

I. Exigibilité anticipée du montant du prêt – Le montant du prêt peut, à notre gré, devenir payable immédiatement dans les circonstances suivantes :

i) l'association omet de se conformer à la Loi, à la déclaration, au règlement administratif et aux règles de ladite association;

ii) l'association néglige :
  - de tenir assurées les unités condominiales et les parties communes conformément aux dispositions de la Loi et aux exigences supplémentaires que nous pouvons fixer;
  - d'assurer ses éléments d'actif, sur notre demande et selon nos stipulations;
  - de nous fournir, sur demande de notre part, une preuve que l'assurance est en vigueur;
  - d'accomplir les formalités requises pour obtenir le paiement de l'indemnité d'assurance;

iii) l'association ne s'acquitte pas, à notre avis, de la gestion de la propriété condominiale et des éléments d'actif comme il convient;

iv) l'association omet de tenir ses éléments d'actif en règle et en bon état de fonctionnement;

v) l'association apporte aux parties communes ou à ses éléments d'actif des modifications importantes sans avoir obtenu au préalable notre autorisation;

vi) les propriétaires ont subi des dommages substantiels et votent en faveur de la dissolution de la propriété condominiale;

vii) la vente de la propriété condominiale ou d'une portion des parties communes est autorisée;

viii) un tribunal ordonne que la propriété condominiale cesse d'être régie par la Loi;

ix) la propriété condominiale cesse d'être régie par la Loi.

Le fait d'avoir voté pour une telle dissolution, vente, ou ordonnance, ou le retrait de la propriété condominiale de l'autorité de la Loi, ou d'y avoir consenti, n'ont aucune incidence sur l'intégrité de nos droits.

J. Dissolution de l'association – Au cas où la propriété condominiale cesserait d'être régie par la Loi :

- les conditions de l'Acte de charge continuent de s'appliquer;
- vous nous autorisez à conclure un accord avec un tiers sur le partage de la propriété condominiale. Nous paierons ou percevrons toute somme requise pour assurer un partage égal et vous nous rembourserez aussitôt toute somme que nous aurons ainsi déboursée. Nous sommes habilités à signer tous documents et à accomplir tous actes nécessaires à la réalisation de ce partage;
- vous devez nous remettre votre part de l'actif de l'Association et le produit de la vente de l'unité et de votre quote-part des parties communes, ou de la propriété condominiale ou d'une portion des parties communes (sauf notification contraire de notre part formulée par écrit), et prendre toutes mesures nécessaires à cette fin;
- les sommes que nous encaissons ainsi (déduction faite de nos frais) peuvent être affectées en réduction du montant du prêt, et remise vous est faite de tout solde résiduel après paiement intégral de notre créance.

22. QUITTANCE

Lorsque nos droits sur l'unité foncière prennent fin, nous vous préparons, comme il nous convient, une quittance complète (Mainlevée de la charge/hypothèque immobilière) ou une confirmation écrite d'une telle quittance (Avis de mainlevée). Vous devez nous accorder un délai suffisant pour la préparation d'un tel document et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement de la quittance, ainsi que tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement de la Mainlevée de la charge/hypothèque immobilière vous incombent.

Lorsque nos droits sur l'unité foncière prennent fin, et si vous nous demandez de céder le prêt hypothécaire, nous vous préparerons une cession de prêt hypothécaire. Vous devez nous accorder un délai suffisant pour la préparation et la signature de la cession de prêt hypothécaire et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement du document, ainsi que et tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement vous incombent.

23. INTITULÉS

Les intitulés sont destinés à faciliter la lecture du texte et n'en font pas partie intégrante.

24. PARTIES LIÉES AUX TERMES DE L'ACTE DE CHARGE

Vous convenez de vous conformer à toutes les conditions et obligations stipulées dans l'Acte de charge, lequel lie également vos héritiers, successeurs et ayants droit, nos successeurs et ayants droit et toute personne à qui l'unité foncière aura été transférée. Il engage également tout bénéficiaire d'une cession effectuée à notre initiative. Les personnes qui apposent leur signature sur le présent Acte de charge à titre de débiteurs hypothécaires sont responsables conjointement et individuellement de l'accomplissement des obligations contractées en vertu de l'Acte de charge.

25. EXCLUSION DE CERTAINES DISPOSITIONS LÉGALES

Les obligations énoncées à l'article 7(1) de la Loi portant réforme de l'enregistrement immobilier, et dans les dispositions nouvelles ou modificatives s'y rattachant, ne font pas partie intégrante des obligations contractées aux termes de l'Acte de charge.

26. CAUTIONNEMENT

Dans le présent article, le terme **garant** désigne toute personne ayant signé l'Acte de charge à titre de garant. Le terme **débiteur hypothécaire** désigne la(les) personne(s) qui y a(ont) apposé sa(leur) signature à ce titre et le terme **unité foncière** désigne le bien grevé par l'hypothèque.

En contrepartie du prêt que nous avons octroyé au débiteur hypothécaire, le garant, lequel a apposé sa signature sur l'Acte de charge, garantit le paiement des versements à la charge dudit débiteur hypothécaire (intérêt compris, qu'il y ait ou non modification du taux d'intérêt) et l'observation des ses autres obligations aux termes de l'Acte de charge. Au cas où le débiteur hypothécaire omettrait d'acquitter un versement ou de s'acquitter de quelque obligation aux termes de l'Acte de charge, le garant s'oblige à se substituer à celui-ci pour le règlement de tout versement impayé et l'accomplissement de telles obligations. S'il y a pluralité de garants, ceux-ci sont conjointement et individuellement responsables avec le débiteur hypothécaire de l'ensemble des obligations contractées en vertu de l'Acte de charge.

Sans que la responsabilité du garant soit de quelque façon réduite, sans obtenir son consentement et sans lui donner de préavis, nous pouvons :

- accorder des délais de paiement et des prorogations de la durée du prêt, renouvellements du prêt et de sa durée compris;
- majorer le taux d'intérêt applicable au prêt hypothécaire, pendant la durée initiale et toute durée subséquente;
- détacher de la garantie hypothécaire ou de toute autre sûreté la totalité ou une partie de l'unité foncière;
- prendre à l'égard du débiteur hypothécaire ou d'une autre personne (y compris un garant), de toute sûreté (garantie hypothécaire comprise) ou de l'unité foncière, toute mesure jugée opportune, notamment la libération, la réalisation ou le remplacement de toute sûreté que nous détenons en garantie;
- renoncer à toute condition de l'Acte de charge ou modifier certaines de ses modalités au cours de sa durée initiale ou d'une durée subséquente;

et ce, avant ou après toute demande de paiement faite à quiconque, sans porter atteinte à l'intégrité du cautionnement. Pour obtenir le paiement de notre créance, nous sommes fondés à nous adresser en premier à tout garant plutôt qu'au débiteur hypothécaire ou à toute autre personne (y compris un garant), et à faire valoir nos droits au titre de toute sûreté (l'hypothèque comprise). Les obligations d'un garant engagent également ses successeurs et ayants droit.

27. EXEMPLE DE CALCUL

La formule suivante doit être utilisée pour le calcul de l'intérêt applicable à une somme quelconque pour une période donnée :

$$\text{Principal} \times \frac{\text{Taux d'intérêt}}{100} \times \frac{\text{Nombre de jours durant la périods considérée}}{\text{365 (ou 366 pour une année bissextile)}}$$

On entend par principal le montant sur lequel est calculé l'intérêt et par taux d'intérêt le taux d'intérêt applicable au montant du prêt, aux termes de l'article 3A de la présente Liste des clauses types relatives aux charges hypothécaires.

Lorsqu'il est fait mention dans la présente Liste des clauses types relatives aux charges hypothécaires de l'intérêt payable à compter d'une certaine date, il faut entendre l'intérêt payable à compter de cette date inclusivement. Lorsqu'il est fait mention de l'intérêt payable jusqu'à une certaine date, il faut entendre l'intérêt payable jusqu'au jour qui précède cette date.

EXEMPLE DU CALCUL DE L'INTÉRÊT :

Supposons que vous voulez calculer l'intérêt sur 50 000 \$ à compter du 1er mars jusqu'au 1er avril, alors que le taux d'intérêt était de 9 % le 1er mars (il ne s'agit pas d'une année bissextile).

Pour établir le nombre de jours entre le 1er mars et le 1er avril, il faut tenir compte du premier jour mais non du dernier, ce qui donne 31 jours.

La formule pour calculer l'intérêt payable sur le principal à compter du 1er mars jusqu'au 1er avril est la suivante :

$$50\,000\ \$ \times \frac{9}{100} \times \frac{31}{365} = 382{,}19\ \$$$

Dans cet exemple, supposons que le montant de 50 000 \$ corresponde au montant du prêt exigible au 1er mars et qu'aucune autre somme n'est exigible à cette date. Si le montant du versement mensuel est de 500 \$, il sera alors imputé le 1er avril, conformément à l'article 4D de la présente Liste des clauses types relatives aux charges hypothécaires :

Paiement de l'intérêt pour la période du 1er mars au 1er avril	382,19 $
Remboursement du montant du prêt	117,81 $
	500,00 $

Le 1er avril, le montant du prêt serait donc ramené à 49 882,19 \$, montant en principal sur lequel seraient établis les calculs en date du 1er mai.

Au cas où la mensualité aurait été de 375 \$, ce montant aurait été imputé intégralement au paiement de l'intérêt et non au remboursement du prêt, la différence de 7,19 \$ étant considérée comme de l'intérêt différé, conformément à l'article 3D de la présente Liste des clauses types relatives aux charges hypothécaires. Le 1er mai, le calcul de l'intérêt aurait porté sur le montant du prêt (50 000 \$) et de l'intérêt différé (7,19 \$).

28. TAUX CORRESPONDANTS

Aux termes de l'Acte de charge, le taux d'intérêt est applicable au calcul mensuel et non d'avance de l'intérêt sur le montant du prêt. Le tableau ci-dessous indique les taux d'intérêt correspondants, lorsque le calcul de l'intérêt se fait semestriellement et non d'avance.

Taux d'intérêt annuel calculé mensuellement, non d'avance (%)	Taux d'intérêt annuel équivalent, calculé semestriellement, non d'avance (%)	Taux d'intérêt annuel calculé mensuellement, non d'avance (%)	Taux d'intérêt annuel équivalent, calculé semestriellement, non d'avance (%)
3,000	3,01881	11,625	11,91021
3,125	3,14542	11,750	12,04141
3,250	3,27208	11,875	12,17269
3,375	3,39882	12,000	12,30403
3,500	3,52562	12,125	12,43544
3,625	3,65249	12,250	12,56692
3,750	3,77942	12,375	12,69846
3,875	3,90642	12,500	12,83008
4,000	4,03348	12,625	12,96176
4,125	4,16061	12,750	13,09351
4,250	4,28781	12,875	13,22533
4,375	4,41507	13,000	13,35721
4,500	4,54240	13,125	13,48916
4,625	4,66979	13,250	13,62118
4,750	4,79725	13,375	13,75327
4,875	4,92478	13,500	13,88543
5,000	5,05237	13,625	14,01766
5,125	5,18003	13,750	14,14995
5,250	5,30776	13,875	14,28231
5,375	5,43555	14,000	14,41474
5,500	5,56341	14,125	14,54724
5,625	5,69133	14,250	14,67981
5,750	5,81932	14,375	14,81244
5,875	5,94738	14,500	14,94514
6,000	6,07550	14,625	15,07791
6,125	6,20369	14,750	15,21075
6,250	6,33195	14,875	15,34366
6,375	6,46027	15,000	15,47664
6,500	6,58866	15,125	15,60968
6,625	6,71711	15,250	15,74279
6,750	6,84564	15,375	15,87597
6,875	6,97423	15,500	16,00922
7,000	7,10288	15,625	16,14254
7,125	7,23160	15,750	16,27593
7,250	7,36039	15,875	16,40939
7,375	7,48925	16,000	16,54291
7,500	7,61817	16,125	16,67650
7,625	7,74716	16,250	16,81016
7,750	7,87621	16,375	16,94389
7,875	8,00534	16,500	17,07769
8,000	8,13452	16,625	17,21156
8,125	8,26378	16,750	17,34550
8,250	8,39310	16,875	17,47950
8,375	8,52249	17,000	17,61358
8,500	8,65195	17,125	17,74772
8,625	8,78147	17,250	17,88193
8,750	8,91106	17,375	18,01621
8,875	9,04072	17,500	18,15056
9,000	9,17045	17,625	18,28498
9,125	9,30024	17,750	18,41947
9,250	9,43010	17,875	18,55403
9,375	9,56002	18,000	18,68865
9,500	9,69002	18,125	18,82335
9,625	9,82008	18,250	18,95811
9,750	9,95021	18,375	19,09295
9,875	10,08040	18,500	19,22785
10,000	10,21066	18,625	19,36282
10,125	10,34099	18,750	19,49786
10,250	10,47139	18,875	19,63297
10,375	10,60185	19,000	19,76815
10,500	10,73238	19,125	19,90340
10,625	10,86298	19,250	20,03872
10,750	10,99365	19,375	20,17411
10,875	11,12438	19,500	20,30956
11,000	11,25519	19,625	20,44509
11,125	11,38605	19,750	20,58068
11,250	11,51699	19,875	20,71635
11,375	11,64800	20,000	20,85208
11,500	11,77907		

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200207

Dated this 18th day of February, 2002

Willy Lee
Assistant General Manager
Scotia Mortgage Corporation

MC Marque de commerce de La Banque de Nouvelle-Écosse.
La Société hypothécaire Scotia est une utilisatrice autorisée de cette marque.

This set is the French version of the standard charge terms filed under number
No. 200117
La presente liste constitue la version francaise
des clauses types de charge déposées sous
la cote 200117
Document déposé par la Société hypothécaire Scotia
La liste des clauses types relatives aux charges hypothécaires suivante doit être réputée être comprise dans tout acte de charge dans lequel il est fait reférence à la liste des clauses types sous la cote qui lui est attribuée, tel qu'il est- stipulé à 1 àrticle 9 de la Loi.

CLAUSES TYPES DE CHARGE
Filing No. 200208 Cote
Filing Date Feb. 20, 2002 Date de Dépôt
Page 1 of/de Ten (10) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Société hypothécaire Scotia

Charge fixe/Hypothèque immobilière
(Loi sur l'enregistrement des droits immobiliers
et Loi sur l'enregistrement des actes)

Loi portant réforme de l'enregistrement immobilier

LISTE DE CLAUSES TYPES RELATIVES AUX CHARGES HYPOTHÉCAIRES Nº

1. DÉFINITIONS

Dans le présent document, le terme **Acte de charge** désigne l'acte de charge (hypothèque) (formule 2) dans lequel il est fait référence à la liste des clauses types sous la cote qui lui est attribuée, ainsi qu'aux annexes qui l'accompagnent et au présent document. Les termes **vous** et **votre** désignent chacune des personnes y ayant apposé leur signature à titre de constituant. Les termes **nous** et **notre** désignent la Société hypothécaire Scotia, à titre de titulaire. Le terme **votre unité foncière** désigne le bien-fonds décrit à la case 5, tous les bâtiments qui y sont ou pourront dans l'avenir y être construits, ainsi que tous ajouts, modifications et améliorations dont ils pourront faire l'objet. Le terme **montant du principal** désigne le montant indiqué à la case 4 (Capital). Par **montant du prêt**, il faut entendre le montant variable du solde du prêt (intérêts compris) dont vous nous êtes redevable à une date quelconque au titre du prêt hypothécaire. Toute référence à la signature d'un document s'entend également d'une signature électronique.

Toute référence à une case s'entend dans ce document d'une case de la formule 2 (y compris toute annexe se rapportant à l'objet de cette case), et toute référence à la signature du document hypothécaire s'entend des signatures apposées sur la formule 2 ou sur toute annexe s'y rattachant. Toute référence aux articles et aux alinéas s'entend de ceux qui figurent dans le présent document.

Si le prêt hypothécaire en cause est un prêt hypothécaire assuré par la SCHL, il est consenti aux termes de la **Loi nationale sur l'habitation.**

2. OBLIGATIONS DÉCOULANT DU PRÊT HYPOTHÉCAIRE

En contrepartie de l'octroi par nous d'un prêt du montant en principal (dont, en apposant votre signature au bas du document hypothécaire, vous accusez réception), vous vous obligez comme suit :

i) si vous êtes propriétaire de votre unité foncière, à la grever d'une charge à notre profit et à celui de nos successeurs et cessionnaires (nos ayants droit);

ou

ii) si vous êtes locataire de l'unité foncière que vous habitez, à grever d'une charge vos droits dans cette unité foncière (toute option d'achat comprise) à notre profit et celui de nos ayants droit, pour la durée complète du bail;

à titre de garantie pour le remboursement du montant du prêt hypothécaire et l'exécution de vos autres obligations aux termes de ce prêt. Vous faites de ce fait cession de vos droits dans l'unité foncière à nous et à tout bénéficiaire d'un transfert éventuel de la charge.

Extinction de la garantie hypothécaire :

Notre intérêt dans l'unité foncière prend fin :

- lorsque le montant du prêt (intérêts compris) est remboursé intégralement, conformément aux dispositions du document hypothécaire; et
- que les autres obligations également prévues aux termes de ce document ont été remplies.

3. INTÉRÊTS

A. Taux d'intérêt

Le taux d'intérêt applicable au montant du prêt est indiqué à la case 9 (b). Calculés semestriellement, non d'avance, les intérêts sont payables mensuellement. Le calcul initial des intérêts effectué après la date d'ajustement de l'intérêt (DAI) (qui précède d'un mois la date d'échéance de la première mensualité exigible au titre du prêt) indiquée à la case 9 (d), couvrira la période de six mois commençant à courir à cette date. Ce calcul suivra de six mois la date d'ajustement de l'intérêt. Par la suite, il sera effectué régulièrement tous les six mois. Les intérêts sont payables sur le montant du prêt au taux prévu, tant après qu'avant la date du dernier versement, et tant après qu'avant défaut et jugement, jusqu'au complet remboursement du montant du prêt.

B. Intérêts composés

Si à la date d'échéance d'une mensualité, vous omettez d'acquitter le montant dû, nous vous compterons des intérêts sur le montant en souffrance (intérêts compris), jusqu'à son complet règlement. Ces intérêts, qui portent le nom d'**intérêts composés**, sont payables à la date d'échéance des mensualités. S'ajouteront à ces intérêts composés impayés, des intérêts calculés au taux applicable au montant du prêt, tant après qu'avant la date du dernier versement, et tant après qu'avant défaut et jugement, et ce jusqu'à règlement complet.

4. REMBOURSEMENT DU PRÊT

A. Monnaie et lieu de paiement

Le montant du prêt est payable en monnaie canadienne. Les mensualités et autres paiements seront effectués à la succursale dont l'adresse figure à la case 15, ou à tout autre lieu que nous vous aurons indiqué. Les modalités de paiement sont les suivantes :

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Société hypothécaire Scotia est un usager autorisé de cette marque.

B. Intérêts payables jusqu'à la date d'ajustement de l'intérêt inclusivement

Antérieurement à l'échéance de la première mensualité, vous nous paierez des intérêts calculés au taux applicable au montant du prêt sur toutes sommes qui vous auront été avancées jusqu'à la date d'ajustement de l'intérêt, ou si nous le jugeons à propos, ces intérêts pourront être déduits du montant de toute avance consentie après cette date. Les intérêts courent depuis la date de toute avance et sont payables par versements mensuels le premier jour du mois qui suit la date d'une telle avance et à la même date chaque mois par la suite. Le solde des intérêts sur ces avances, (pour le calcul duquel il n'est pas tenu compte de la date d'ajustement de l'intérêt) devient échu et payable à cette date.

C. Échéance des versements après la date d'ajustement de l'intérêt

À compter de la date d'ajustement de l'intérêt, le montant du principal, majoré des intérêts est remboursable sous forme de mensualités.

Vous acquitterez le montant de la mensualité stipulé à la case 9 (h) à compter de la date indiquée à la case 9 (f), et le **PREMIER** jour de chaque mois par la suite, jusqu'à la date précisée à la case 9 (g). La date à laquelle il vous incombe d'acquitter un versement est dite **«date d'échéance des mensualités»**. Chaque mensualité comprend une part du montant en principal plus les intérêts courus à la date d'échéance de cette mensualité.

Le solde du montant du principal, ainsi que les intérêts échus sont payables à la date indiquée à la case 9 (i), qui correspond à celle indiquée à la case 9 (g) et qui est libellée date **«du dernier versement»**.

Le montant du principal figure à la case 4 (Capital) et les intérêts qui s'y ajoutent sont calculés au même taux et de la même façon que les intérêts qui s'ajoutent au solde du prêt.

D. Imputation des mensualités

Chaque mensualité sera **d'abord** affectée au paiement des intérêts dus et exigibles, **puis,** à la réduction du montant du principal.

5. REMBOURSEMENT ANTICIPÉ

Vous pouvez rembourser à l'avance une partie ou la totalité de votre prêt hypothécaire selon l'une des options décrites ci-après. Les termes utilisés dans la présente annexe ont le même signification que dans le prêt hypothécaire.

Si nous convenons plus tard de modifier ou de proroger la durée du prêt hypothécaire, ces conditions relatives au remboursement anticipé ne s'appliqueront pas à la durée modifiée ou prorogée.

Prêt hypothécaire fermé

Si vos versements hypothécaires sont en règle, vous pouvez augmenter le montant de vos versements ou rembourser partiellement par anticipation votre prêt hypothécaire selon l'une des trois options décrites dans le tableau ci-dessous. Ces options s'appliquent à un remboursement partiel seulement; elles peuvent être exercées chaque année et ne peuvent être reportées à une année ultérieure. Le terme «année» désigne une période de 12 mois commençant à la date d'ajustement de l'intérêt (DAI) ou à la date anniversaire de la DAI. Si la durée de votre prêt hypothécaire est inférieure à 12 mois, ces options peuvent être exercées au cours de chaque durée.

OPTIONS DE REMBOURSEMENT ANTICIPÉ		
Comment	Quand	Résultat
1 *En effectuant un versement hypothécaire régulier supplémentaire	À n'importe quelle date d'échéance régulière durant l'année	Le montant en capital de votre prêt hypothécaire est réduit de ce montant
2. *En remboursant jusqu'à 15 % du montant initial en capital	En tout temps, la somme totale ne devant pas excéder le maximum annuel	
3. En augmentant vos versements hypothécaires mensuels réguliers d'un montant pouvant atteindre jusqu'à 15 % du versement en capital et intérêts établi pour la durée du prêt hypothécaire	Une fois chaque année de la durée de votre prêt hypothécaire	

*Seules les options 1 et 2 permettent un Temps d'arrêt.

Remboursement anticipé - Pénalité

Lorsque vous remboursez par anticipation la totalité ou une partie de votre prêt hypothécaire, vous devez payer une pénalité à moins que le remboursement partiel ne soit conforme au tableau ci-dessus. Le montant de la pénalité varie en fonction du moment du remboursement anticipé. Il y a deux périodes de calcul : la *période fermée et la période ouverte.* Vous pouvez cependant réduire la pénalité en remplaçant votre prêt hypothécaire par un autre comme il est indiqué sur le tableau ci-après.

Au cours de la *période fermée*, il est possible de rembourser par anticipation la totalité de votre prêt hypothécaire uniquement si le bien immobilier est vendu de bonne foi à un tiers sans lien de dépendance.

DÉTERMINATION DES PÉRIODES OUVERTE ET FERMÉE		
Durée du prêt hypothécaire	Périodes de calcul	
	Période fermée	Période ouverte
6 mois	3 premiers mois	3 derniers mois
1 an	3 premiers mois	9 derniers mois
2 ans	Première année	Dernière année
3 ans	2 premières années	Dernière année
4 ou 5 ans	3 premières années	Dernière année ou 2 dernières années
7 ans assuré par la SCHL*	3 premières années	4 dernières années
7 ans ordinaire non assuré par la SCHL	5 premières années	2 dernières années

*SCHL désigne la Société canadienne d'hypothèques et de logement.

B. Intérêts payables jusqu'à la date d'ajustement de l'intérêt inclusivement

Antérieurement à l'échéance de la première mensualité, vous nous paierez des intérêts calculés au taux applicable au montant du prêt sur toutes sommes qui vous auront été avancées jusqu'à la date d'ajustement de l'intérêt, ou si nous le jugeons à propos, ces intérêts pourront être déduits du montant de toute avance consentie après cette date. Les intérêts courent depuis la date de toute avance et sont payables par versements mensuels le premier jour du mois qui suit la date d'une telle avance et à la même date chaque mois par la suite. Le solde des intérêts sur ces avances, (pour le calcul duquel il n'est pas tenu compte de la date d'ajustement de l'intérêt) devient échu et payable à cette date.

C. Échéance des versements après la date d'ajustement de l'intérêt

À compter de la date d'ajustement de l'intérêt, le montant du principal, majoré des intérêts est remboursable sous forme de mensualités.

Vous acquitterez le montant de la mensualité stipulé à la case 9 (h) à compter de la date indiquée à la case 9 (f), et le **PREMIER** jour de chaque mois par la suite, jusqu'à la date précisée à la case 9 (g). La date à laquelle il vous incombe d'acquitter un versement est dite **«date d'échéance des mensualités»**. Chaque mensualité comprend une part du montant en principal plus les intérêts courus à la date d'échéance de cette mensualité.

Le solde du montant du principal, ainsi que les intérêts échus sont payables à la date indiquée à la case 9 (i), qui correspond à celle indiquée à la case 9 (g) et qui est libellée date **«du dernier versement»**.

Le montant du principal figure à la case 4 (Capital) et les intérêts qui s'y ajoutent sont calculés au même taux et de la même façon que les intérêts qui s'ajoutent au solde du prêt.

D. Imputation des mensualités

Chaque mensualité sera **d'abord** affectée au paiement des intérêts dus et exigibles, **puis**, à la réduction du montant du principal.

5. REMBOURSEMENT ANTICIPÉ

Vous pouvez rembourser à l'avance une partie ou la totalité de votre prêt hypothécaire selon l'une des options décrites ci-après. Les termes utilisés dans la présente annexe ont le même signification que dans le prêt hypothécaire.

Si nous convenons plus tard de modifier ou de proroger la durée du prêt hypothécaire, ces conditions relatives au remboursement anticipé ne s'appliqueront pas à la durée modifiée ou prorogée.

Prêt hypothécaire fermé

Si vos versements hypothécaires sont en règle, vous pouvez augmenter le montant de vos versements ou rembourser partiellement par anticipation votre prêt hypothécaire selon l'une des trois options décrites dans le tableau ci-dessous. Ces options s'appliquent à un remboursement partiel seulement; elles peuvent être exercées chaque année et ne peuvent être reportées à une année ultérieure. Le terme «année» désigne une période de 12 mois commençant à la date d'ajustement de l'intérêt (DAI) ou à la date anniversaire de la DAI. Si la durée de votre prêt hypothécaire est inférieure à 12 mois, ces options peuvent être exercées au cours de chaque durée.

OPTIONS DE REMBOURSEMENT ANTICIPÉ		
Comment	Quand	Résultat
1 *En effectuant un versement hypothécaire régulier supplémentaire	À n'importe quelle date d'échéance régulière durant l'année	Le montant en capital de votre prêt hypothécaire est réduit de ce montant
2. *En remboursant jusqu'à 15 % du montant initial en capital	En tout temps, la somme totale ne devant pas excéder le maximum annuel	
3. En augmentant vos versements hypothécaires mensuels réguliers d'un montant pouvant atteindre jusqu'à 15 % du versement en capital et intérêts établi pour la durée du prêt hypothécaire	Une fois chaque année de la durée de votre prêt hypothécaire	

*Seules les options 1 et 2 permettent un Temps d'arrêt.

Remboursement anticipé - Pénalité

Lorsque vous remboursez par anticipation la totalité ou une partie de votre prêt hypothécaire, vous devez payer une pénalité à moins que le remboursement partiel ne soit conforme au tableau ci-dessus. Le montant de la pénalité varie en fonction du moment du remboursement anticipé. Il y a deux périodes de calcul : la *période fermée et la période ouverte.* Vous pouvez cependant réduire la pénalité en remplaçant votre prêt hypothécaire par un autre comme il est indiqué sur le tableau ci-après.

Au cours de la *période fermée*, il est possible de rembourser par anticipation la totalité de votre prêt hypothécaire uniquement si le bien immobilier est vendu de bonne foi à un tiers sans lien de dépendance.

DÉTERMINATION DES PÉRIODES OUVERTE ET FERMÉE		
Durée du prêt hypothécaire	Périodes de calcul	
	Période fermée	Période ouverte
6 mois	3 premiers mois	3 derniers mois
1 an	3 premiers mois	9 derniers mois
2 ans	Première année	Dernière année
3 ans	2 premières années	Dernière année
4 ou 5 ans	3 premières années	Dernière année ou 2 dernières années
7 ans assuré par la SCHL*	3 premières années	4 dernières années
7 ans ordinaire non assuré par la SCHL	5 premières années	2 dernières années

*SCHL désigne la Société canadienne d'hypothèques et de logement.

Période fermée

Au cours de la période fermée, la pénalité relative à un remboursement partiel ou intégral de votre prêt hypothécaire est le **plus élevé** de a) **ou** de b) auquel **s'ajoute** la commission de refinancement. Cette commission dépend du nombre d'années écoulées depuis que vous êtes devenu titulaire du prêt hypothécaire :

a) *Trois mois d'intérêts* calculés sur le montant du remboursement anticipé au taux du prêt hypothécaire.

b) *Le différentiel d'intérêts,* c'est-à-dire la différence entre le taux d'intérêt pratiqué sur votre prêt hypothécaire et le taux d'intérêt courant pratiqué sur les prêts hypothécaires semblables pour la durée restant à courir. (On entend par prêts hypothécaires semblables ceux dont la durée est immédiatement inférieure à celle restant à courir sur votre prêt.)

Si vous remboursez intégralement votre prêt hypothécaire au cours de la première année suivant la date d'ajustement de l'intérêt, la commission de refinancement est de 500 $. Au cours de la deuxième année, la commission est de 400 $ et elle est de 300 $ au cours de la troisième année. Il n'y a pas de commission si vous êtes titulaire du prêt depuis plus de trois ans.

Période ouverte

Au cours de la *période ouverte,* la pénalité relative à un remboursement partiel ou intégral de votre prêt hypothécaire correspond à trois mois d'intérêts calculés sur le montant du remboursement anticipé au taux du prêt hypothécaire.

Réduction de la pénalité de remboursement anticipé grâce à un prêt hypothécaire de remplacement

Vous pouvez réduire le montant de la pénalité exigée en cas de remboursement intégral de votre prêt hypothécaire lorsque vous contractez un prêt hypothécaire de remplacement admissible, d'un montant équivalent ou supérieur à celui de votre prêt en cours.

Dans une telle situation, la pénalité exigée pendant *la période fermée de* votre prêt hypothécaire est le **moins élevé** de c) **ou** de d) :

c) *Le différentiel d'intérêts,* c'est-à-dire la différence entre le taux d'intérêt pratiqué sur votre prêt hypothécaire et le taux d'intérêt courant pratiqué sur les prêts hypothécaires semblables pour la durée restant à courir. (On entend par prêts hypothécaires semblables ceux dont la durée est immédiatement inférieure à celle restant à courir sur votre prêt.)

d) La différence entre le taux d'intérêt pratiqué sur votre prêt hypothécaire et le taux d'intérêt pratiqué sur le prêt hypothécaire de remplacement.

Nous pouvons également réduire la pénalité d'un montant minimum de 300 $, selon l'excédent du prêt hypothécaire de remplacement par rapport au prêt hypothécaire en cours. Nous renoncerons aussi à la commission de refinancement.

Au cours de la *période ouverte* de votre prêt hypothécaire, la pénalité est le **moins élevé** de c) **ou** de d) ci-dessus, ou de e) :

e) Trois mois d'intérêts calculés au taux pratiqué sur le prêt hypothécaire en cours.

Nous pouvons également réduire la pénalité d'un montant minimum de 300 $, tel qu'il est indiqué ci-dessus.

Il n'y aura aucune circonstance où la pénalité de remboursement anticipé sera inférieure à zéro.

Prêt hypothécaire transférable

À la condition que nous acceptions par écrit, le solde de votre prêt hypothécaire en cours peut être transféré sur une autre maison ou des fonds additionnels peuvent s'y ajouter. De plus, la durée du prêt peut être prorogée compte tenu de la durée restant à courir. Le taux applicable au prêt de remplacement est un taux pondéré en fonction du taux pratiqué sur votre prêt en cours et du taux applicable à la durée du prêt de remplacement et/ou au montant majoré du prêt.

Option Temps d'arrêt

Vous pouvez omettre d'effectuer un versement à la date d'échéance prévue pourvu que vous ayez fait un versement anticipé d'un montant équivalent au versement omis pendant la durée du prêt en cours et que votre prêt hypothécaire soit en règle. Toutefois, le cas échéant, vous ne pouvez omettre de payer votre prime d'assurance prêt hypothécaire. Des versements supplémentaires ou des remboursements anticipés ne peuvent être utilisés pour omettre un versement dans le cas où le prêt hypothécaire est assumé par un nouvel acheteur.

Maintien de vos obligations

À moins que vous n'ayez remboursé le solde en capital de votre prêt, vous devez effectuer régulièrement le paiement de vos mensualités.

6. DROIT DE PROPRIÉTÉ

A. À titre de propriétaire de votre unité foncière, vous attestez :

- i) être le propriétaire légitime de cette unité foncière;
- ii) être fondé en droit à nous consentir une hypothèque;
- iii) que votre titre de propriété est libre de toute charge;
- iv) que votre titre de propriété est libre de toute servitude, sauf les règles du code du bâtiment, les règlements relatifs au zonage et les servitudes régulièrement inscrites.

Les dispositions de l'alinéa A sont applicables, à moins que vous ne nous ayez informés par écrit que vous êtes locataire en vertu d'un bail de l'unité foncière que vous occupez; auquel cas les dispositions de l'alinéa B sont applicables.

B. À titre de locataire de l'unité foncière :

- i) vous attestez que :
  - a) cette unité foncière a été prise en location par vous ou vos ayants droit en vertu d'un bail, dont copie nous a été remise;
  - b) le bail est en vigueur, a force probante et tous les renseignements que vous nous avez fournis à son sujet sont véridiques;
  - c) tous les loyers payables en vertu du bail ont été acquittés jusqu'à la date de signature du document hypothécaire;
  - d) vous avez le droit ou l'autorisation de céder, hypothéquer ou grever le bail;

e) l'intérêt que vous détenez dans le bail, sauf stipulations contraires dans ce document, n'est assujetti à aucune limitation, restriction ou charge, à l'exception des règles du code du bâtiment, des règles de zonage et des servitudes régulièrement inscrites.

ii) vous vous obligez :

a) à payer le loyer à l'échéance;

b) à respecter les autres conditions du bail et à vous abstenir de tout ce qui pourrait entraîner sa résiliation;

c) à ne pas rétrocéder le bail;

d) à ne pas modifier le bail sans avoir au préalable obtenu notre consentement écrit;

e) à nous remettre copie conforme de tout avis ou requête qui vous est adressé concernant le bail;

f) à nous aviser sans délai, au cas où votre propriétaire vous ferait part de la résiliation anticipée de votre bail ou prendrait des dispositions à cet effet.

C. Vous éviterez tout ce qui pourrait porter atteinte à nos droits sur votre unité foncière.

D. Vous signerez tous autres documents et accomplirez toutes formalités que nous jugeons nécessaires pour assurer le transfert à notre profit de vos droits dans l'unité foncière.

7. USAGE DE VOTRE UNITÉ FONCIÈRE

Vous n'apporterez à votre unité aucun ajout, aucune modification ou amélioration et éviterez de l'utiliser à des fins professionnelles sans avoir obtenu au préalable notre consentement écrit.

8. NOUS N'AVONS AUCUNE OBLIGATION DE VOUS VERSER DES AVANCES AUX TERMES DU PRÊT HYPOTHÉCAIRE

Nous pouvons, si nous le jugeons à propos, pour un motif quelconque, nous abstenir de vous verser tout ou partie du montant du principal, même si le document hypothécaire est déjà rédigé, signé ou enregistré, et qu'une partie du principal ait été ou non décaissée. En apposant votre signature sur le document hypothécaire, vous nous cédez tous vos droits sur l'unité foncière. Vous nous rembourserez, sur demande, de tous nos frais engagés pour constater vos droits sur cette unité foncière et pour la rédaction et l'enregistrement du document hypothécaire.

9. IMPÔTS ET TAXES

A. Vous acquitterez chaque mois, en même temps que le versement sur votre prêt une part du montant estimatif de l'**impôt foncier** payable sur votre unité foncière pour l'année qui suit. Fixé à un douzième du total de l'impôt foncier estimatif pour l'année considérée, le montant de cet impôt mensuel peut être rajusté pour tenir compte de toute modification apportée au taux d'imposition annuel applicable à votre unité foncière. La quote-part de l'impôt foncier ainsi acquitté mensuellement doit nous permettre de régler annuellement le montant intégral de votre impôt foncier au plus tard à la date d'échéance. Si votre impôt foncier est payable par versements, les paiements effectués mensuellement par vous à ce titre doivent nous permettre d'acquitter intégralement le total de vos versements au titre de l'impôt foncier au plus tard à la date d'échéance du premier versement.

B. Si, toutefois, un intervalle de moins d'un an sépare la date d'ajustement de l'intérêt de la date d'échéance annuelle des impôts fonciers ou de celle du premier versement à ce titre, vous nous paierez mensuellement des montants égaux durant cette période et au cours des douze mois qui suivront. Nous nous fonderons, pour fixer le montant de ces paiements mensuels, sur notre estimation du total des impôts fonciers payables pour les deux périodes, afin de nous permettre de percevoir de vous un montant suffisant pour régler intégralement ces impôts à leur échéance.

C. Vous nous réglerez également, sur demande, tout excédent des impôts fonciers sur le montant estimatif calculé par nous. Pour couvrir cet excédent, nous pouvons, si nous le jugeons à propos, majorer le montant acquitté par vous mensuellement à ce titre.

D. Le montant perçu par vous mensuellement sera régulièrement affecté au paiement de vos impôts fonciers, sauf en cas de retard de paiement de votre part. Nous ne sommes nullement tenus de régler les impôts fonciers aux dates d'échéance ou plus d'une fois l'an. Nous acquitterons les impôts fonciers même si le montant reçu de vous est insuffisant, et votre compte d'impôts fonciers indiquera alors un solde débiteur, qui devra être immédiatement réglé. Nous n'avons pas à vous signaler que ce compte est débiteur.

E. Sur tout solde créditeur à votre compte d'impôts fonciers, des intérêts seront calculés à un taux d'intérêt non inférieur à celui versé par la Banque Scotia sur les comptes-chèques d'épargne ayant un même solde créditeur. Sur tout solde débiteur à votre compte d'impôts fonciers, des intérêts seront imputés au taux applicable au montant de votre prêt jusqu'au complet règlement de ce découvert.

F. À défaut de votre part d'acquitter tout montant qui nous est dû à l'échéance, nous pouvons prélever un tel montant sur les fonds en dépôt dans votre compte d'impôts fonciers.

G. Une somme peut être déduite du montant de la dernière avance payable au titre du principal du prêt pour assurer le règlement de tous les impôts fonciers payables jusqu'à la date de rajustement de l'intérêt et non acquittés à cette date.

H. Vous nous transmettrez sans délai tous avis d'imposition, de cotisation, qui vous sont adressés.

10. PAIEMENTS EFFECTUÉS POUR VOTRE COMPTE

Il nous est loisible de libérer votre bien-fonds de tous privilèges, droits et charges qui, à notre avis, priment notre créance, et également d'acquitter les frais engagés par nous pour recouvrer les sommes non acquittées par vous à l'échéance, nos frais juridiques compris calculés sur la base avoué-client. Vous aurez à nous rembourser de tels frais dans les plus brefs délais.

Au cas où nous libérerions votre bien-fonds de tous privilèges, droits et charges, il y aura subrogation en notre faveur des droits, titres et droits en equity de la personne physique ou morale, société ou Administration qui aura été ainsi désintéressée par nous. Si nous le jugeons opportun, nous sommes autorisés à conserver pendant six mois ou plus, les droits ainsi transférés.

11. TRANSFERT DE BAUX ET LOYERS

A. En cas de location actuelle ou éventuelle à des tiers de la totalité ou d'une partie de votre unité foncière, sur notre demande écrite, vous nous transférerez et céderez :

- i) tous baux, contrats de location et renouvellements s'y rapportant;
- ii) tous loyers et toutes sommes exigibles aux termes des baux et contrats de location. Nous pourrons, toutefois, vous autoriser à percevoir les loyers, pourvu que vos versements soient en règle et que vous vous soyez conformé à vos autres obligations en vertu du prêt hypothécaire;
- iii) tous droits afférents aux baux et aux contrats de location ayant une incidence sur l'unité foncière.

B. Vous acceptez de plus les conditions suivantes :

- i) vous obtiendrez notre consentement écrit avant de consentir de nouveaux baux ou de renouveler un bail en cours (sauf s'il s'agit d'un renouvellement prévu aux termes d'un bail déjà conclu);
- ii) aucune intervention de notre part aux termes du présent alinéa 11 ne pourra nous mettre en possession de votre unité foncière;
- iii) en cas de défaut de paiement de votre part, toutefois, nous sommes habilités à prendre possession de votre unité foncière;
- iv) nous n'avons aucune obligation de percevoir les loyers ou autres revenus ni de nous conformer aux conditions d'un bail ou d'un contrat de location.

12. ASSURANCES

Vous devez sans délai assurer et tenir constamment assurés à notre profit et jusqu'à libération de l'hypothèque, tous les immeubles grevés par cette hypothèque (y compris, tant pendant qu'après les travaux, ceux qui pourront être construits dans l'avenir) contre les risques de perte ou de dommages par incendie et autres risques habituellement couverts par les polices d'assurance-incendie et contre tous autres risques qu'il nous appartient de déterminer. Une telle assurance sera souscrite auprès d'un assureur ayant notre agrément, pour un montant en dollars canadiens correspondant à la valeur de remplacement de l'immeuble (montant maximum pouvant être souscrit). Établie dans des formes jugées par nous acceptables, cette assurance comportera les garanties annexes et une clause nous désignant comme bénéficiaire de l'indemnité en cas de sinistre. Vous nous transférerez, sur notre demande, toutes les polices d'assurance et quittances afférentes aux immeubles, ainsi que le produit de telles assurances.

À défaut de votre part :

- de tenir les immeubles assurés d'une façon que nous jugeons conforme aux instructions qui précèdent;
- de nous remettre, sur notre demande, toute police d'assurance ou toute quittance;
- de nous fournir, sur demande, au moins quinze jours complets avant la date d'expiration ou de résiliation d'une assurance, une preuve de renouvellement ou de souscription d'une nouvelle assurance,

nous pouvons, sans y être tenus, souscrire une assurance sur les immeubles hypothéqués et le montant de la prime d'une telle assurance s'ajoutera à la somme que vous nous devez aux termes du prêt hypothécaire et portera intérêt au taux applicable à celui-ci. Vous acquitterez cette prime à l'échéance de la mensualité la plus rapprochée. En cas de perte ou dommage, vous nous fournirez immédiatement, à vos frais, toutes les preuves du sinistre, et vous accomplirez toutes les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. La remise à l'assureur d'un exemplaire du présent document constituera une autorisation suffisante lui permettant de nous verser le montant de cette indemnité ou d'accepter nos instructions relatives au règlement du sinistre.

À notre choix, le montant de l'indemnité peut en totalité ou en partie :

- a) être affecté à la reconstruction ou à la réparation des immeubles endommagés;
- b) vous être versé;
- c) être versé à une autre personne propriétaire ou ex-propriétaire de l'unité foncière, selon ce qu'indique le titre de propriété inscrit;
- d) être affecté à la réduction intégrale ou partielle du montant du prêt, qu'il soit ou non arrivé à échéance.

Si votre unité foncière est une partie privative d'une copropriété, les dispositions de la partie E de l'article 22 sont applicables mais non celles du présent article 12.

13. MAINTIEN DES LIEUX EN BON ÉTAT

Vous veillerez à maintenir les locaux en bonne condition et à y effectuer toutes les réparations nécessaires. Vous ne ferez et n'autoriserez personne à faire quoi que ce soit qui puisse diminuer la valeur de l'unité foncière. Nous pouvons en faire l'inspection à toute heure raisonnable. Au cas où, nous jugerions que :

- vos locaux ne sont pas tenus en bon état;
- vous faites ou tolérez quoi que ce soit susceptible de diminuer la valeur de votre unité foncière;

nous pouvons effectuer les réparations que nous jugeons souhaitables. Vous nous rembourserez immédiatement tous frais d'inspections et de réparations engagés par nous.

14. DISPOSITIONS RELATIVES À L'ENVIRONNEMENT

Nous (et, aux fins du présent article, la Société canadienne d'hypothèques et de logement, s'il s'agit d'un prêt assuré par cette société), pouvons inspecter l'unité foncière et les bâtiments qui s'y trouvent, quand nous le jugeons à propos. Nous pouvons procéder à de telles inspections à toutes fins utiles, mais en particulier pour effectuer des analyses d'ambiance, des évaluations des lieux et les vérifications ou études que nous jugeons nécessaires. Les frais engagés pour de telles évaluations, vérifications ou études seront à votre charge et devront nous être remboursés dès réception d'un avis à cet effet. S'ils ne sont pas acquittés sur demande, ces frais s'ajouteront au solde de votre prêt et porteront intérêt au taux applicable à ce prêt. Aucune intervention de notre part en application des dispositions du présent article n'est assimilable à une prise de contrôle de votre unité foncière.

15. EXIGIBILITÉ ANTICIPÉE DU PRÊT

Nous pouvons exiger le paiement immédiat du montant du prêt dans les circonstances suivantes :

a) vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable aux termes du prêt;

b) vous ne remplissez pas certaines autres obligations contractées en vertu du prêt hypothécaire;

c) un privilège est inscrit à l'encontre de votre unité foncière ou nous sommes avisés par écrit qu'un privilège a été constitué en raison du non paiement des impôts fonciers, des charges communes dans le cas d'un logement en copropriété, d'un jugement, du privilège d'un constructeur ou d'autres charges semblables;

d) votre unité foncière est abandonnée;

e) des travaux de construction, d'agrandissement, de rénovation entrepris sur votre unité foncière demeurent inachevés, l'arrêt des travaux se poursuivant depuis trente jours consécutifs.

16. NOMINATION D'UN SÉQUESTRE

Si vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable, ou de satisfaire aux obligations contractées aux termes du prêt hypothécaire, nous pouvons désigner par écrit un séquestre (y compris un séquestre-gérant) qui sera chargé de percevoir les revenus afférents à votre unité foncière. Nous pouvons également désigner par écrit un nouveau séquestre en remplacement de celui désigné par nous précédemment. Le séquestre est réputé être votre mandataire et non le nôtre et vous assumez la responsabilité de ses manquements.

Le séquestre est habilité :

- à exercer tout recours disponible (en votre nom ou au nôtre) en vue de percevoir les revenus afférents à votre unité foncière;
- à prendre possession de tout ou partie de votre unité foncière;
- à l'administrer et à la conserver en bon état.

Sur les revenus perçus, le séquestre peut :

a) conserver une commission égale à 5 % du total des fonds perçus, ou d'un taux plus élevé autorisé par un juge ou un autre fonctionnaire public;

b) conserver une somme suffisante pour acquitter les frais engagés pour percevoir ces revenus;

c) acquitter tous impôts et taxes, primes d'assurance, frais d'entretien de votre propriété, intérêts dus, toutes charges qui priment notre créance hypothécaire et intérêts connexes;

d) acquitter les intérêts qui nous sont dus en vertu du prêt hypothécaire et nous verser toute autre somme payable aux termes de ce prêt, qu'elle soit échue ou non.

17. EXERCICE DE NOS DROITS

A. Défaut de paiement

En cas de non-paiement d'une mensualité à l'échéance ou de tout autre paiement auquel vous êtes tenu en vertu du prêt hypothécaire, nous pouvons exercer un ou plusieurs des recours suivants, sans ordre prédéterminé :

i) vous intenter, s'il y a lieu, une action afin d'obtenir le remboursement du montant du prêt;

ii) exercer un droit de forclusion ou vendre le bien - Nous pouvons entamer une poursuite en vue d'obtenir une ordonnance de forclusion de vos droits, titre et droit de rachat sur tout ou partie de votre unité foncière. Si nous obtenons une ordonnance définitive portant forclusion, votre unité foncière deviendra de plein droit notre propriété.

Nous pouvons également nous adresser à un tribunal pour que soit ordonnée la vente de votre unité foncière. Le tribunal, s'il émet une telle ordonnance, surveillera le déroulement de la procédure. Le produit net de la vente sera affecté à la réduction du montant du prêt. Toute somme restante, une fois les créances réglées, vous sera remise. Si le produit de la vente ne couvre pas intégralement le montant du prêt, vous aurez à nous verser la différence.

iii) Pouvoir de vente - Lorsqu'un paiement est en souffrance depuis quinze jours, nous pouvons, moyennant un préavis de 35 jours, pénétrer dans vos locaux et :

a) en prendre possession;

b) vendre tout ou partie de votre unité (au comptant ou à crédit, ou partiellement au comptant et partiellement à crédit) par vente publique ou de gré à gré, au prix et aux conditions qu'il appartient de déterminer;

c) le donner en location, à des conditions et pour une durée qu'il nous appartient de déterminer;

d) exercer tout autre recours à notre disposition en vertu des lois de l'Ontario.

Tout avis vous sera signifié à vous et aux autres intéressés dans les formes requises par la loi au moment de la signification. En l'absence de telles exigences, notification peut vous être donnée de l'une ou plusieurs des façons suivantes :

- notification en personne à votre dernière adresse connue;
- envoi recommandé à votre dernière adresse connue;
- avis dans un journal publié dans le comté ou la localité où se trouve votre unité foncière;
- remise sur place à un adulte;
- affichage d'un avis sur votre propriété.

Après un retard de paiement de trois mois, nous sommes fondés à pénétrer dans vos locaux, à vendre ou louer votre propriété, sans vous adresser un préavis, sauf s'il est requis par la loi.
Le produit net de la vente peut être affecté en réduction du montant du prêt et tout solde restant, une fois les créances remboursées, vous sera remis. Si le montant que nous touchons de la vente ou de la location de votre unité foncière ne couvre pas entièrement le montant du prêt, vous aurez à nous verser la différence.

B. Manquement aux obligations, défaut de paiement compris - Si vous manquez aux obligations qui vous incombent aux termes du prêt hypothécaire (défaut de paiement explicité sous A compris), nous sommes fondés à exercer nos droits susmentionnés, à pénétrer dans votre propriété en tout temps, sans la permission de quiconque, et prendre toutes mesures que nous jugeons souhaitables aux fins suivantes :

- inspecter, louer, ou administrer votre propriété, et percevoir tous loyers;
- y réparer ou remettre en état tout bâtiment;
- y achever la construction de tout bâtiment.

Nous pouvons également prendre toutes mesures nécessaires pour prendre, recouvrer et conserver la possession de votre unité foncière.

C. Vente de biens (prêts hypothécaires commerciaux uniquement) -

Si le prêt en cause est un prêt hypothécaire commercial, en cas de non-paiement d'une mensualité à l'échéance, nous pouvons saisir vos marchandises. En d'autres termes, il nous est loisible de prendre ces marchandises et de les vendre, en tenant compte des lois de l'Ontario. Le produit net d'une telle vente peut être appliqué en réduction du montant du prêt. Une telle intervention ne peut nous mettre en possession de votre unité foncière, ni engager notre responsabilité à l'égard de sommes quelconques, sauf celles réellement perçues.

D. Aucune opposition de votre part - Vous vous abstiendrez de faire opposition à la prise de possession par nous de votre unité foncière (si cette prise de possession découle de l'exercice de nos droits précités), ainsi qu'à la prise de possession par des tiers, en cas de vente ou de location par nous ou par un syndic. Vous vous engagez, en pareil cas, à ne pas rechercher l'acquéreur, le locataire ou un syndic, ou quiconque pourra en faire l'acquisition ou la location par la suite.

E. Nos frais - Vous vous engagez à nous rembourser immédiatement tous les frais engagés pour faire valoir nos droits, notamment ceux engagés pour prendre ou garder possession de votre unité foncière, la rémunération des services du personnel de la Société hypothécaire Scotia et/ou de la Banque Scotia, nos frais juridiques sur une base client-avoué, et tous autres frais relatifs à la protection de nos droits en vertu du prêt hypothécaire.

F. Jugements - Au cas où un jugement serait rendu contre vous du fait de l'inobservation de vos obligations aux termes du prêt hypothécaire, il n'y aura pas alors confusion des droits découlant d'un tel jugement avec nos autres recours ou droits, aux fins d'assurer l'exécution de vos autres obligations en vertu de ce prêt. Nous continuerons d'avoir droit au paiement d'intérêts calculés sur le montant du prêt au taux qui lui est applicable, aux intervalles prévus aux termes du prêt hypothécaire. Les intérêts prévus en cas de jugement sont calculés aux mêmes conditions que ceux payables sur le montant du prêt; et ce, jusqu'à ce que le jugement ait cessé de produire ses effets.

18. EXERCICE DIFFÉRÉ DE NOS DROITS

Ni un délai de paiement ou une prorogation de la durée consenti à vous ou à une autre personne préalablement à l'exercice de nos droits aux termes de l'acte d'hypothèque et ni la conclusion d'un accord visé à l'article 21, n'aura une incidence sur nos droits énumérés ci-après :

a) recevoir tous paiements dont vous nous êtes redevable, lorsqu'ils sont dus et exigibles;
b) exiger le remboursement du montant du prêt et de tous intérêts échus, en cas de défaut de paiement de votre part;
c) exiger l'accomplissement des autres obligations qui vous incombent aux termes du prêt hypothécaire;
d) assurer le respect des obligations contractées envers nous par toute autre personne aux termes du prêt hypothécaire.

19. PRÊT HYPOTHÉCAIRE À LA CONSTRUCTION

Par amélioration il faut entendre toute modification, ajout ou réparation apporté à un bâtiment faisant partie de votre unité foncière, ou toute construction, aménagement ou installation, qui y est effectué. Si l'objet du prêt est de financer une telle amélioration, vous devez nous en informer par écrit immédiatement et avant le décaissement de toute avance aux termes de ce prêt. Vous nous remettrez également sans délai copies de tous contrats et contrats de sous-traitance ayant trait à ces travaux et de toutes dispositions modificatives s'y rapportant. Les travaux seront effectués uniquement selon des contrats, des plans et devis ayant reçu au préalable notre approbation écrite. Ces travaux de construction ou d'amélioration seront effectués avec toute la diligence possible et sur demande, vous nous fournirez tous documents justifiant du paiement de ces travaux. Nous vous consentirons des avances (à valoir sur le montant du principal) d'après l'avancement des travaux, jusqu'à l'achèvement et l'occupation ou la vente de votre unité foncière. Il nous appartient de déterminer si et à quel moment il y a lieu de verser des avances. Quel que soit l'objet du prêt, nous pouvons, si nous le jugeons à propos, faire une retenue sur le montant des avances, jusqu'à ce que nous ayons la certitude que vous vous êtes conformé aux dispositions relatives aux retenues contenues dans la Loi sur le privilège dans l'industrie de la construction, et dans toute version modifiée de cette loi. Vous nous autorisez à fournir des renseignements concernant le prêt hypothécaire à toute personne bénéficiant d'un privilège du constructeur.

20. MAINLEVÉE DE L'HYPOTHÈQUE SUR VOTRE UNITÉ FONCIÈRE

Nous pouvons fixer les conditions pour la mainlevée de nos droits sur tout ou partie de votre unité foncière (nous pouvons en d'autres termes la libérer totalement ou partiellement de cette charge), que nous ayons ou non reçu valable contrepartie. En cas de libération partielle de votre unité foncière, la partie restante continuera de garantir le montant du prêt. Nous n'avons à rendre compte que des sommes effectivement perçues.

Au cas où il y aurait lotissement de votre unité foncière avant l'extinction de nos droits en vertu de l'hypothèque, chaque parcelle garantira l'intégralité du montant de notre créance, même en cas de mainlevée applicable à une autre partie de votre unité foncière.

Nous avons la liberté de vous décharger, de même que tout garant ou toute autre personne, de l'exécution de toute obligation stipulée dans le document hypothécaire ou dans tout document constitutif de garantie, sans que soit libérée de l'hypothèque ou de toute autre sûreté une part quelconque de l'unité foncière. Une telle décharge ne s'étendra pas aux autres personnes ayant contracté des obligations aux termes du prêt hypothécaire.

21. RENOUVELLEMENT OU MODIFICATION DU PRÊT HYPOTHÉCAIRE

Nous pouvons passer des conventions écrites avec vous (ou avec toute personne à qui votre unité foncière est transférée) afin d'apporter aux conditions du prêt hypothécaire des modifications telles que la prorogation des délais de paiement, le renouvellement ou la prolongation de la durée, la modification du taux d'intérêt, etc. Que votre unité foncière soit grevée ou non par une autre charge au moment de la passation de la convention, l'enregistrement d'un tel acte modificatif ne sera pas requis pour maintenir le rang prioritaire de l'hypothèque sur tout autre instrument enregistré après l'octroi du prêt. Toute référence dans le présent document au prêt hypothécaire s'entend du prêt hypothécaire tel que modifié par une telle convention.

22. DISPOSITIONS RELATIVES AUX CONDOMINIUMS

Si votre unité foncière est une partie privative d'un condominium, vous devez respecter les modalités énoncées dans le présent article 22, en plus des autres dispositions du présent document (à l'exception de celles qui figurent à l'article 12).

Dans le présent article, la Loi sur les condominiums, y compris toutes dispositions nouvelles ou modifiées de cette loi, est désignée la **Loi**. Les termes utilisés ci-après ont le sens qui leur est attribué dans la Loi, sauf que l'expression **propriété condominiale** a le même sens que le terme «bien» utilisé dans la Loi.

A. Vous vous engagez à vous conformer aux dispositions de la Loi, ainsi qu'à la déclaration, au règlement administratif et aux règles de l'association condominiale visant votre unité foncière, et à nous fournir, sur demande, des preuves que vous respectez ces exigences.

B. Vous règlerez à l'association condominiale, aux dates d'échéance, le montant des dépenses communes. Si, par ailleurs, nous exerçons notre droit de percevoir de vous votre quote-part de ces dépenses, vous nous en ferez tenir le montant, au reçu d'un avis de notre part à cet effet. Nous pouvons nous fonder sur un relevé présumément émis par l'association condominiale comme d'une preuve suffisante du montant des dépenses communes et de leur date d'échéance.

C. Vous nous ferez parvenir tous avis, évaluations, règlement administratif, règles et états financiers que l'association condominiale peut ou doit vous adresser.

D. Vous veillerez à tenir en bon état les améliorations apportées à votre unité et à y effectuer, s'il y a lieu, les réparations nécessaires.

E. Assurances - Indépendamment des assurances que doit souscrire l'association, vous êtes tenu :

i) d'assurer les améliorations apportées par vous-même ou les précédents propriétaires à votre unité;

ii) de souscrire une assurance pour les risques supplémentaires que nous pouvons vous indiquer;

iii) de tenir assurés vos droits indivis ou autres dans les immeubles en copropriété (actuels ou futurs, au stade de la construction et par la suite), qui font partie de la propriété condominiale ou des actifs de l'association condominiale, si celle-ci néglige de le faire ou si nous vous donnons des instructions à cet effet;

iv) de faire cession à notre profit de vos polices d'assurance et (dans les limites permises par la loi) de vos droits sur les polices souscrites par l'association;

v) de nous fournir une preuve que l'assurance est en vigueur, ainsi qu'un justificatif du renouvellement ou du remplacement de l'assurance, dans les quinze jours qui précèdent son expiration ou sa résiliation;

vi) d'accomplir toutes les formalités nécessaires pour assurer le paiement de l'indemnité prévue.

Les polices d'assurance souscrites par vous (et par l'association) doivent être conformes aux règles suivantes :

- votre unité condominiale doit être assurée contre les dommages ou la destruction causés par l'incendie, et contre tous autres risques stipulés par nous à la pleine valeur de remplacement (montant maximum de la couverture) en dollars canadiens;
- la compagnie d'assurances et les modalités de la police doivent avoir notre agrément.

À défaut de votre part d'assurer votre unité condominiale en accord avec les dispositions du présent article 22, nous pouvons, sans y être tenus, souscrire à votre place les assurances requises, et vous nous rembourserez aussitôt les primes s'y rapportant. Vous nous fournirez, en cas de sinistre, les preuves requises, et vous accomplirez les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. Vous ferez en sorte que l'association condominiale s'acquitte de ses charges et obligations aux termes de la **Loi sur les condominiums** et de son règlement administratif.

Le produit de l'assurance peut, dans les limites permises par la loi, être imputé en totalité ou en partie comme suit :

a) être affecté à la reconstruction ou à la réparation de l'unité;

b) vous être versé;

c) être versé à toute autre personne propriétaire ou ex-propriétaire de l'unité, selon ce qu'indique le titre de propriété;

d) être affecté, si nous le jugeons à propos, à la réduction d'une partie du montant du prêt, qu'il soit ou non arrivé à échéance.

F. Frais supplémentaires à votre charge - Outre les charges afférentes à nos autres droits et recours aux termes du prêt hypothécaire, vous aurez à nous régler sans délai les frais engagés par nous du fait :

- de tout règlement administratif, de toute résolution, règle ou autre point (sauf dans le cas où un vote de la majorité présente à l'assemblée est requis);
- de l'exercice de nos droits pour obtenir de l'association ou de tout propriétaire l'adhésion à la loi, à la déclaration, au règlement administratif et aux règles;
- de l'exercice de tout droit de vote dont nous pouvons disposer.

Lorsque nos frais concernent également d'autres unités, vous n'aurez à acquitter que les frais applicables à la vôtre.

G. Droits de vote et autres droits - Vous nous autorisez à exercer, aux termes de la Loi, votre droit de vote pour ou contre la question mise aux voix. Nous sommes également autorisés à exercer vos droits aux fins suivantes :

- exiger de l'association qu'elle rachète votre unité et vos droits indivis, lorsque la Loi le permet;

- faire évaluer votre unité et vos droits indivis ou la propriété condominiale par voie d'arbitrage;
- recevoir votre part de l'actif de l'association et le produit de la vente de votre unité et de vos droits indivis ou de la propriété condominiale ou une quelconque des parties communes.

Vous pourrez exercer vos droits, selon les instructions que nous pourrons vous donner, si nous choisissons de ne pas les exercer. Avant une telle intervention de votre part, vous obtiendrez au préalable notre autorisation écrite. Une telle autorisation est requise même si nous ne disposons pas vis-à-vis de l'association d'un tel droit d'intervention, et même si nous avions déjà pris des mesures pour vous permettre d'exercer ce droit.

Aucun acte accompli par nous en application des dispositions du présent article n'aura pour effet de nous mettre en possession de votre propriété condominiale. Nous ne nous tenons nullement responsables des actes autorisés par vous que nous pourrions accomplir ou du défaut d'exécution de tels actes. Nous pouvons en tout temps révoquer les dispositions prises par nous pour vous permettre d'exercer vous-même les pouvoirs que vous nous aviez délégués.

H. Nos autres droits en vertu du prêt hypothécaire - Vous nous autorisez de plus à :

i) inspecter votre propriété condominiale à tout moment jugé raisonnable;
ii) y effectuer des travaux de réfection ou de réparation au cas où elle subirait des dommages;
iii) examiner les registres de l'association;
iv) intervenir au cas où vous négligeriez d'observer les dispositions de la Loi, de la déclaration, du règlement administratif et des règles de l'association.

I. Exigibilité anticipée du montant du prêt - Le montant du prêt peut, à notre gré, devenir payable immédiatement dans les circonstances suivantes :

i) l'association omet de se conformer à la Loi, à la déclaration, au règlement administratif et aux règles de ladite association;
ii) l'association néglige :
  - de tenir assurées les unités condominiales et les parties communes conformément aux dispositions de la Loi et aux exigences supplémentaires que nous pouvons fixer;
  - d'assurer ses éléments d'actif, sur notre demande et selon nos stipulations;
  - de nous fournir, sur demande de notre part, une preuve que l'assurance est en vigueur;
  - d'accomplir les formalités requises pour obtenir de la compagnie d'assurances, le cas échéant, le paiement de l'indemnité;
iii) l'association ne s'acquitte pas, à notre avis, de la gestion de la propriété condominiale et des éléments d'actif, comme il convient;
iv) l'association omet de tenir ses éléments d'actif en règle et en bon état de fonctionnement;
v) l'association apporte aux parties communes ou à ses éléments d'actif des modifications importantes sans avoir obtenu au préalable notre autorisation;
vi) les propriétaires ont subi des dommages substantiels et votent en faveur de la dissolution de la propriété condominiale;
vii) la vente de la propriété condominiale ou d'une part des parties communes est autorisée;
viii) un tribunal émet une ordonnance recommandant que la propriété condominiale cesse d'être régie par la Loi;
ix) la propriété condominiale cesse d'être régie par la Loi.

Le fait d'avoir voté pour ou consenti à une telle dissolution, à la vente ou à une ordonnance de vendre la propriété condominiale, ou le retrait de l'association de l'autorité de la Loi, n'auront aucune incidence sur l'intégrité de nos droits.

J. Dissolution de l'association - Au cas où votre propriété condominiale cesserait d'être régie par la Loi :

- les conditions du prêt hypothécaire continueraient de s'appliquer;
- vous nous autorisez à conclure un accord avec un tiers sur le partage de la propriété condominiale. Nous paierons ou percevrons toute somme requise pour assurer un partage égal et vous nous rembourserez aussitôt toute somme que nous aurons ainsi déboursée. Nous sommes habilités à exécuter tous documents et à accomplir tous actes nécessaires à la réalisation de ce partage;
- vous nous remettrez une somme égale à votre part des éléments d'actif et au produit de la vente de votre unité et des intérêts communs, ou de la propriété condominiale ou d'une part des éléments communs (sauf notification contraire de notre part formulée par écrit) et vous prendrez toutes mesures nécessaires à cette fin);
- les sommes ainsi encaissées par nous (déduction faite de nos frais) peuvent être affectées en réduction du montant du prêt, et remise vous sera faite de tout solde résiduel après paiement intégral de notre créance.

23. MAINLEVÉE

Lorsque nos droits sur l'unité foncière prennent fin, nous vous préparons, comme il nous convient, une quittance complète (Mainlevée de la charge/hypothèque immobilière) ou une confirmation écrite d'une telle quittance (Avis de mainlevée). Vous devez nous accorder un délai suffisant pour la préparation d'un tel document et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement de la quittance, ainsi que tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement de la Mainlevée de la charge/hypothèque immobilière vous incombent.

Lorsque nos droits sur l'unité foncière prennent fin, et si vous nous demandez de céder le prêt hypothécaire, nous vous préparerons une cession de prêt hypothécaire. Vous devez nous accorder un délai suffisant pour la préparation et la signature de la cession de prêt hypothécaire et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement du document, ainsi que tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement vous incombent.

24. INTITULÉS

Les intitulés sont destinés à faciliter la lecture du texte et n'en font pas partie intégrante.

25. PARTIES LIÉES AUX TERMES DU PRÊT HYPOTHÉCAIRE

Vous convenez de vous conformer à toutes les conditions et obligations explicitées dans l'acte de prêt hypothécaire, lequel liera également vos héritiers, successeurs et ayants droit, et toute personne à qui votre unité foncière aura été transférée. Il engage également tout bénéficiaire d'une cession effectuée à notre initiative. Les personnes qui apposent leur signature sur ce document à titre de constituant sont responsables collectivement et individuellement (c'est-à-dire conjointement et solidairement) de l'accomplissement des obligations contractées en vertu du prêt hypothécaire.

26. EXCLUSION DE CERTAINES DISPOSITIONS LÉGALES

Les obligations énoncées à l'article 7 (1) de la Loi portant réforme de l'enregistrement immobilier, 1984, et dans les dispositions nouvelles ou modificatives s'y rattachant, ne font pas partie intégrante des obligations contractées aux termes du prêt hypothécaire.

27. CAUTIONNEMENT

Dans le présent article, le terme **garant** désigne toute personne ayant signé le document hypothécaire à titre de garant. Le terme **constituant** désigne la ou les personne(s) qui y a (ont) apposé sa (leur) signature à ce titre et le terme **unité foncière** désigne le bien grevé par l'hypothèque.

En contrepartie du prêt consenti par nous au constituant, le garant ayant apposé sa signature sur le document hypothécaire, garantit le paiement des versements à la charge dudit constituant (intérêts compris et qu'il y ait ou non modification du taux d'intérêt) et l'observation de ses autres obligations aux termes du prêt. Au cas où le constituant omettrait d'acquitter un versement ou de s'acquitter de quelque obligation aux termes du prêt hypothécaire, le garant s'oblige à se substituer à celui-ci pour le règlement de tout versement impayé et l'accomplissement de telles obligations. S'il y a pluralité de garants, ceux-ci sont collectivement et individuellement (conjointement et solidairement) responsables avec le constituant et avec chacun d'eux, de l'ensemble des obligations contractées en vertu du prêt hypothécaire.

Sans que la responsabilité du garant soit de quelque façon réduite, sans obtenir son consentement et sans lui donner de préavis, nous pouvons :

- accorder des délais de paiement et des prorogations de la durée du prêt, renouvellements du prêt et de sa durée compris;
- majorer le taux d'intérêt applicable au prêt hypothécaire, pendant la durée initiale et toute durée subséquente;
- détacher de la garantie hypothécaire ou de toute autre sûreté la totalité ou une partie de l'unité foncière;
- prendre à l'égard du constituant ou d'une autre personne (y compris un garant), de toute sûreté (garantie hypothécaire comprise) ou de l'unité foncière, toute mesure jugée opportune, notamment la libération, la réalisation ou le remplacement de tout bien que nous détenons en garantie;
- renoncer à toute condition du prêt hypothécaire ou modifier certaines de ses modalités au cours de sa durée initiale ou d'une durée subséquente;

et ce, soit antérieurement, soit postérieurement à toute demande de paiement faite à quiconque, sans porter atteinte à l'intégrité du cautionnement. Pour obtenir le paiement de notre créance, nous sommes fondés à nous adresser en premier à tout garant plutôt qu'au constituant ou à toute autre personne (y compris un garant), et à faire valoir nos droits au titre de toute sûreté (l'hypothèque comprise). Les obligations de tout garant engagent également ses successeurs et ayants droit.

Dated this 18th day of February, 2002

Willy Lee
Assistant General Manager
Scotia Mortgage Corporation

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200208 Date

ONTARIO LIMITED PREPAYMENT FIXED RATE CONVENTIONAL AND INSURED MORTGAGE

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS

FILED BY BANK OF MONTREAL FILING NUMBER 200209

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided by section 9 of the Act.

1. TABLE OF CONTENTS

Page

1. TABLE OF CONTENTS 1
2. DEFINITIONS 2
3. OPERATION OF MORTGAGE 4
    (a) Mortgage of Mortgaged Land and Assignment of Rents and Leases 4
    (b) Additional Principal Advances Secured 4
    (c) Continuation of Mortgage 4
    (d) Mortgage Assignable by Mortgagee 4
    (e) Discharge 5
    (f) Foreclosure Right 5
4. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST 5
    (a) Interest to Interest Adjustment Date 5
    (b) Payments of Principal and Interest 5
    (c) Interest After Default 5
    (d) Application of Amounts Received by Mortgagee 5
5. LIMITED PREPAYMENT PROVISIONS 5
6. EXPRESS COVENANTS BY MORTGAGOR 7
    (a) Payment of Principal and Interest 7
    (b) Observance and Performance of Provisions 7
    (c) Taxes 7
    (d) Good Title and Free From Encumbrances 8
    (e) Payments by Mortgagee of Other Claims 8
    (f) Insurance 8
    (g) Further Assurances 9
    (h) Liens 9
    (i) Discharge of Part of Mortgaged Land 10
    (j) Granting of Time, etc. 10
    (k) Waste 10
    (l) Alterations 10
    (m) Compliance with Laws, Good Condition, Inspection and Repairs 10
    (n) Advance of Principal 10
    (o) Waiver 10
    (p) Effect of Sale 10
    (q) Extension of Time and Amendments 11
    (r) Discharge or Assignment 11
    (s) Other Security 11
    (t) Fixtures 11
    (u) Expenses 11
    (v) Moneys Received 12
    (w) Change in Spousal Status 12
    (x) Environmental Inspection and Testing 12
7. MORE FREQUENT PAYMENT PROVISIONS 12
8. SALE, CONVEYANCE OR TRANSFER OF MORTGAGED LAND 12
9. AUTOMATIC RENEWAL AT MATURITY OF SIX MONTH TERMS, ONE YEAR TERMS AND TWO YEAR TERMS 13
10. AUTOMATIC RENEWAL AT MATURITY OF OTHER TERMS 13
11. MORTGAGE RATE PROTECTION PLAN 13
12. MORTGAGOR'S PORTABILITY OPTION 14
13. BLEND AND EXTEND OPTION 14
14. RATE BUYDOWN OPTION 14
15. DEFERRED PAYMENT OPTION 14
16. UNDERTAKING NOT TO SUE MORTGAGOR AFTER APPROVED SALE OF MORTGAGED LAND 15
17. DISCRETION OF THE MORTGAGEE WHETHER TO GRANT REQUESTS OR ENTER INTO AMENDMENT AGREEMENTS 15

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200209 Cote
Filing Date Mar. 20, 2002 Date de Dépôt
Page 1 of/de Twenty-One (21) Pages
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

18. PROVISIONS WHICH DO NOT APPLY IF THE MORTGAGED LAND IS NON-RESIDENTIAL MORTGAGED LAND 15
19. CONDOMINIUM PROVISIONS 15
20. DEFAULT 16
21. CERTAIN IMPLIED COVENANTS EXCLUDED 18
22. NATIONAL HOUSING ACT 18
23. MORTGAGE OF LEASEHOLD INTEREST 18
24. ASSIGNMENT OF LEASES AND RENTS 19
25. GUARANTEE 20
26. MANNER OF AMENDING THE MORTGAGE AND GRANTING REQUESTS 21
27. GOVERNING LAW 21
28. TITLES AND MARGINAL NOTES 21
29. MISCELLANEOUS 21

2. DEFINITIONS

In this set of standard charge terms and in the Mortgage:

(a) "Act" means the Land Registration Reform Act and any amendments thereto in effect at the time of execution and delivery of the Mortgage.

(b) "Actual Mortgage Rate" means the interest rate per annum calculated in accordance with the applicable interest calculation period, not in advance, all as set out in the Mortgage and applicable, as well after as before maturity, default, and judgment.

(c) "Amendment Interest Rate Differential Amount" with respect to any amendment to the Mortgage means the amount by which the amount determined in subparagraph (i) below exceeds the amount determined in subparagraph (ii) below:

(i) the present value, as determined by the Mortgagee, of the aggregate amount of interest which would, but for the applicable amendment, be payable on the principal amount of the Mortgage outstanding on the Effective Date, from the Effective Date to the Maturity Date in effect prior to the amendment, at the Actual Mortgage Rate prior to the amendment (with such Actual Mortgage Rate being used as the discount factor to be applied to determine the present value); and

(ii) the present value, as determined by the Mortgagee, of the aggregate amount of interest, calculated on the principal amount of the Mortgage outstanding on the Effective Date, from the Effective Date to the Maturity Date in effect prior to the amendment, at the interest rate which is equivalent to:

A. the interest rate per annum published by the Mortgagee as the rate of interest applicable on the Effective Date to the Mortgagee's fixed rate limited prepayment residential first mortgages in Canada with a term nearest in length to the remaining term of the Mortgage on the Effective Date prior to the amendment of the term; less

B. the Discount Rate,

with the rate of interest per annum referred to in this subparagraph (ii) being used as the discount factor to be applied to determine the present value.

(d) "Debt" means all present and future indebtedness and liability owing by the Mortgagor to the Mortgagee pursuant to or in respect of the Mortgage including, without limitation, all principal, any additional principal amount or amounts advanced in accordance with subparagraph 3(b), interest, compound interest, Taxes and costs.

(e) "Default" is defined in paragraph 20.

(f) "Discount Rate" means:

(i) the interest rate per annum published by the Mortgagee as the rate of interest applicable, on a date specified by the Mortgagee, to the Mortgagee's fixed rate limited prepayment residential first mortgages in Canada with a term equivalent in length to the Term of the Mortgage; less

(ii) the Actual Mortgage Rate.

(g) "Effective Date" means the date on which the amendments in the applicable mortgage amending agreement take effect.

(h) "Guarantor" means the person or persons, if any, executing the Mortgage (including any Schedule) or any guarantee as guarantor, guaranteeing to the Mortgagee payment of the Mortgagor's indebtedness to the Mortgagee pursuant to or in respect of the Mortgage.

(i) "Interest Adjustment Date" means the first day of the month preceding the month in which the first instalment of principal and interest is due, if such instalments are paid monthly; or the first day of the month in which the first instalment of principal and interest is due, if such instalments are paid more frequently than monthly.

(j) "Maturity Date" means the date on which the balance of the principal amount owing under the Mortgage is due and payable.

(k) "Mortgage" means the applicable mortgage or charge, as amended from time to time, in which this set of standard charge terms is included by reference therein to its filing number (whether or not any provisions of this set of standard charge terms are excluded from such mortgage or charge) and includes all Schedules thereto, as amended from time to time and, for greater certainty, includes the provisions of this set of standard charge terms (except for any such provisions excluded from such mortgage or charge).

(l) "Mortgaged Land" means the real property described in the Mortgage, all tenements, hereditaments and appurtenances with respect thereto and all estates and interests therein, and for greater certainty includes all buildings, plant, machinery, erections and improvements, fixed or otherwise, present or future, built, placed or put thereon including, without limitation, all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all other apparatus and equipment appurtenant thereto, and all other fixtures, accessions and accretions of any kind or nature.

(m) "Mortgagee" means Bank of Montreal and its successors and assigns.

(n) "Mortgagor" means the person or persons so identified in the Mortgage and his, her or their Successors and assigns, as the case may be.

(o) "Non-Residential Mortgaged Land" means Mortgaged Land which:

- (i) is vacant;
- (ii) consists of commercial or industrial land;
- (iii) has constructed thereon premises comprising seven or more dwelling units; or
- (iv) consists of a rental housing project as defined in the National Housing Act.

(p) "Other Claims" is defined in subparagraph 6(d) hereof.

(q) "Prepayment Interest Rate Differential Amount" with respect to any prepayment of principal means the amount by which the amount determined in subparagraph (i) below exceeds the amount determined in subparagraph (ii) below:

- (i) the present value, as determined by the Mortgagee, of the aggregate amount of interest which would, but for the applicable prepayment, be payable on the amount of the prepayment from the date of the prepayment to the Maturity Date at the Actual Mortgage Rate (with the Actual Mortgage Rate being used as the discount factor to be applied to determine the present value); and

- (ii) the present value, as determined by the Mortgagee, of the aggregate amount of interest, calculated on the amount of the prepayment from the date of the prepayment to the Maturity Date at the interest rate which is equivalent to:

  - A. the interest rate per annum published by the Mortgagee as the rate of interest applicable on the prepayment date to the Mortgagee's fixed rate limited prepayment residential first mortgages in Canada with a term nearest in length to the remaining term of the Mortgage on the prepayment date; less

  - B. the Discount Rate,

  with the rate of interest per annum referred to in this subparagraph (ii) being used as the discount factor to be applied to determine the present value.

(r) "Prior Mortgage" means a mortgage referred to in subparagraph 6(d) hereof.

(s) "Schedule" means a schedule to the Mortgage.

(t) "Successor" means an heir, executor, administrator or successor.

(u) "Taxes" means all taxes, rates and assessments, whether federal, provincial, municipal or otherwise, with respect to the Mortgaged Land.

(v) "Term of the Mortgage" means the period commencing on the Interest Adjustment Date and ending on the Maturity Date.

3. OPERATION OF MORTGAGE

Mortgage of Mortgaged Land and Assignment of Rents and Leases

(a) In consideration of the principal amount set out in the Mortgage paid to the Mortgagor, or of such portion thereof as may be advanced from time to time (the receipt and sufficiency of which are acknowledged by the Mortgagor), upon execution and delivery of the Mortgage, the Mortgagor mortgages and charges the Mortgaged Land to and in favour of the Mortgagee and the Mortgagor assigns to the Mortgagee all existing and future leases, tenancy agreements and other similar agreements of all or any part of the Mortgaged Land granted by the Mortgagor or any predecessor of the Mortgagor as landlord and all rents and other similar amounts now or hereafter paid or payable to the Mortgagor in respect of all or any part of the Mortgaged Land:

(i) as security for payment to the Mortgagee when due of all Debt including, without limitation:

A. the principal amount outstanding pursuant to the Mortgage from time to time;

B. interest accruing on such principal amount at the Actual Mortgage Rate; and

C. all other amounts payable pursuant to or secured by the Mortgage from time to time as determined by reference to the provisions of the Mortgage or otherwise determined in accordance with the law including, without limitation, compound interest payable by the Mortgagor pursuant to the provisions hereof and interest on any late payments,

all calculated and payable as provided by the Mortgage; and

(ii) as security for the observance and performance of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage.

Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee all the Mortgagor's claims upon the Mortgaged Land.

Additional Principal Advances Secured

(b) The Mortgagee may, from time to time in the Mortgagee's sole discretion, lend additional principal amounts to the Mortgagor provided the principal amount at any time owing by the Mortgagor to the Mortgagee and secured by the Mortgage shall not exceed the principal amount set out in the Mortgage and provided further that the Mortgagor delivers to the Mortgagee a letter, agreement or instrument wherein the Mortgagor refers to such additional principal amount and the Mortgage or wherein the Mortgagor agrees that such principal advance is made pursuant to the Mortgage or agrees that such principal amount shall be secured by the Mortgage. Each such principal amount, all interest accrued thereon and all other amounts owing by the Mortgagor to the Mortgagee with respect thereto shall be included as Debt, the payment thereof by the Mortgagor to the Mortgagee shall be secured by the Mortgage and each provision of the Mortgage shall apply thereto. The foregoing shall apply whether or not the principal amount of the Mortgage is from time to time reduced and thereafter increased or paid in full and thereafter incurred again. Nothing herein shall obligate the Mortgagee to lend any principal amount.

Continuation of Mortgage

(c) The Mortgage shall continue in full force and effect in accordance with its terms until the Mortgagee delivers a discharge of the Mortgage.

Mortgage Assignable by Mortgagee

(d) For greater certainty, the Mortgage and the Debt are assignable by the Mortgagee, and payment of amounts secured by the Mortgage to the Mortgagee in circumstances wherein it is intended that the Mortgage be assigned and not discharged, shall not cause the Mortgage to cease to operate nor entitle the Mortgagor to a discharge of the Mortgage.

Discharge

(e) The Mortgage is given upon the express condition that if the Mortgagor duly pays or causes to be paid to the Mortgagee the Debt in full without any deduction or abatement, as and when the same is due, and duly observes and performs all other obligations of the Mortgagor pursuant to or in respect of the Mortgage, and the Mortgagee has no obligation to lend any amount to the Mortgagor, then the Mortgagee shall, after receipt of the Mortgagor's written request therefor, deliver to the Mortgagor a discharge of the Mortgage.

Foreclosure Right

(f) The right of foreclosure is hereby expressly given and reserved to and retained by the Mortgagee in the same manner and to the same extent as if the Mortgagor had transferred the Mortgaged Land to the Mortgagee by way of mortgage subject to a proviso for redemption.

4. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST

The principal amount of the Mortgage, interest thereon and all other amounts payable under the Mortgage shall be paid at the branch or banking unit of the Mortgagee with which the Mortgagor is dealing or which is designated by the Mortgagee in writing.

Interest to Interest Adjustment Date

(a) The Mortgagor shall, on the Interest Adjustment Date, pay interest at the Actual Mortgage Rate on the principal amount of the Mortgage or such part thereof advanced by the Mortgagee to the Mortgagor from the date of advance until the Interest Adjustment Date, provided that, at the Mortgagee's request, the Mortgagor shall pay interest monthly on the first day of each month at the Actual Mortgage Rate on the principal amount or part thereof advanced by the Mortgagee to the Mortgagor from the date of advance until the Interest Adjustment Date and provided further that, at the Mortgagee's option, any accrued interest may be deducted from any principal advance.

Payments of Principal and Interest

(b) The Mortgagor shall pay to the Mortgagee the principal amount of the Mortgage and interest thereon at the Actual Mortgage Rate from and including the Interest Adjustment Date in equal instalments in the amount set out in the Mortgage, commencing on the first payment date set out in the Mortgage and ending on the last payment date set out in the Mortgage, and shall pay the balance, if any, of the principal amount, interest and other outstanding amounts secured by the Mortgage on the Maturity Date (unless such amounts are payable hereunder at an earlier date).

Interest After Default

(c) In default of payment when due of any amount payable pursuant to the Mortgage whether on, before or after the Maturity Date or judgment, and until such amount is paid, the Mortgagor shall pay to the Mortgagee interest at the Actual Mortgage Rate on such amount and such interest shall be paid on the first day of each month. In the event any such amount unpaid and interest thereon as aforesaid, or any part thereof, is not paid within the current interest calculation period specified in the Mortgage and without in any way waiving any demand or requirement that such arrears and interest be paid, a rest shall be made as at the end of the interest calculation period and as at the end of each subsequent interest calculation period until all such arrears and all interest are paid. Compound interest at the Actual Mortgage Rate shall, after each rest, be payable on the aggregate amount of arrears and interest then owing including any compound interest then due, and shall be due on the first day of the month next following the end of such interest calculation period and thereafter on the first day of each month until paid, and so on from time to time until all such arrears, interest and compound interest are paid. All amounts payable under this provision, whether for principal, interest, compound interest or otherwise shall be secured by the Mortgage on the Mortgaged Land.

Application of Amounts Received by Mortgagee

(d) All amounts paid by the Mortgagor to the Mortgagee (unless otherwise agreed in writing) shall, prior to default by the Mortgagor, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other amount owing by the Mortgagor to the Mortgagee. All amounts paid by the Mortgagor to the Mortgagee (or otherwise received by the Mortgagee) after default by the Mortgagor shall be applied in the manner determined by the Mortgagee in its sole discretion.

5. LIMITED PREPAYMENT PROVISIONS

(a) The Mortgagor shall not be entitled, subject to subparagraph (b), to prepay any amount of principal under the Mortgage, except that, subject to subparagraphs (c) and (d):

(i) the Mortgagor shall be entitled, when not in default under the Mortgage, to prepay at any time or times, without notice and without payment of bonus, an amount or amounts of principal, provided that:

A. each amount of principal prepaid shall not be less than $100.00; and

B. the aggregate of all amounts of principal prepaid during any calendar year shall not exceed 20% of the original principal amount of the Mortgage; and

C. such prepayment privileges shall not be cumulative; and

(ii) the Mortgagor shall be entitled, when not in default under the Mortgage, by entering into a mortgage amending agreement with the Mortgagee in form and substance satisfactory to the Mortgagee:

A. to increase once in each calendar year the amount of the instalment of principal and interest payable under the Mortgage, provided that such increase does not exceed 20% of the amount of the instalment of principal and interest payable by the Mortgagor immediately prior to such increase; or

B. after any increase pursuant to subparagraph A. hereof, to decrease once in each calendar year (including the year in which such increase occurred) the amount of the instalment of principal and interest payable under the Mortgage, provided that the original amortization period of the Mortgage is not extended as a result of such reduction;

provided further that the rights referred to in subparagraphs (ii)A. and (ii)B. are not cumulative; and

(iii) the Mortgagor shall be entitled, when not in default under the Mortgage, to prepay any amount of principal at any time or times without notice, upon payment, by way of bonus, of the following additional amount:

A. if the Term of the Mortgage is not longer than five years, the Prepayment Interest Rate Differential Amount, provided that the additional payment required by this subparagraph (iii)A. shall be not less than an amount equivalent to three months' interest at the Actual Mortgage Rate on the amount of such principal prepayment; or

B. if the Term of the Mortgage is longer than five years and if the date of prepayment is:

(1) after the fifth year of the Term of the Mortgage, an additional amount equivalent to three months' interest at the Actual Mortgage Rate on the amount of such principal prepayment; or

(2) during the first five years of the Term of the Mortgage, the Prepayment Interest Rate Differential Amount, provided that the additional payment required by this subparagraph (iii)B.(2) shall be not less than an amount equivalent to three months' interest at the Actual Mortgage Rate on the amount of such principal prepayment.

(b) If the Mortgagor is not a corporation, the Term of the Mortgage is longer than five years and the Mortgaged Land is Non-Residential Mortgaged Land, the Mortgagor shall be entitled to prepay any amount of principal after the fifth year of the Term of the Mortgage, provided the Mortgagor pays to the Mortgagee an additional amount equivalent to three months' interest at the Actual Mortgage Rate on the amount of such principal prepayment. For all purposes of the Mortgage, the date of the Mortgage shall be the Interest Adjustment Date and the Interest Adjustment Date shall be the date specified by the definition of "Interest Adjustment Date".

(c) Notwithstanding any other provision of the Mortgage, the Mortgagor shall not be entitled to prepay any amount of principal (except to the extent permitted by subparagraph (b)) or increase the amount of the instalments payable under the Mortgage if the Mortgaged Land is Non-Residential Mortgaged Land.

(d) In the event any prepayment is made, the payment dates and the amount of all remaining instalments shall continue unaffected by the prepayment so that the Mortgagor shall pay the instalments provided for in the Mortgage when due until all amounts owing under the Mortgage have been fully paid.

6. EXPRESS COVENANTS BY MORTGAGOR

The following covenants shall be deemed included as covenants of the Mortgagor, in every Mortgage in which this set of standard charge terms is referred to by its filing number, except to the extent that such covenants are expressly amended or excluded from the Mortgage by the provisions of the Mortgage, and the following covenants shall be construed and applied as covenants made by the Mortgagor for the Mortgagor and the Mortgagor's Successors and assigns to and in favour of the Mortgagee, its successors and assigns, to the same extent as if set out as such in the Mortgage executed and delivered by the Mortgagor.

Payment of Principal and Interest

(a) The Mortgagor shall pay to the Mortgagee all Debt and all other amounts secured by or payable under the Mortgage, as and when the same become due in lawful money of Canada, without deduction or set-off of any kind.

Observance and Performance of Provisions

(b) The Mortgagor shall duly and punctually observe and perform all the provisions of the Mortgage which are to be observed and performed by the Mortgagor.

Taxes

(c) The Mortgagor shall promptly pay or cause to be paid all Taxes as they become due and, without limiting the foregoing:

(i) the Mortgagee may deduct from the final advance of the principal moneys an amount sufficient to pay the unpaid Taxes which have become or will become due and payable on or before the Interest Adjustment Date;

(ii) after the Interest Adjustment Date the Mortgagor shall pay to the Mortgagee in instalments on the dates on which instalments of principal and interest are payable pursuant to the Mortgage, sums sufficient to enable the Mortgagee to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;

(iii) where the period between the Interest Adjustment Date and the next following annual due date or first instalment due date for Taxes is less than one year, the Mortgagee may, at the Mortgagee's option, require the Mortgagor to pay to the Mortgagee in equal instalments, on each date on which an instalment of principal and interest is payable pursuant to the Mortgage, during such period and during the next succeeding twelve months' period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of the said twelve months' period, all Taxes which shall become due and payable during the said two periods and during the balance of the calendar year in which the said twelve months' period expires; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;

(iv) subject to subparagraph 6(c)(iii) hereof, the Mortgagor shall pay to the Mortgagee on each date on which an instalment of principal and interest is payable pursuant to Mortgage:

A. one-fifty-second of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on Friday of every week; or

B. one-twenty-sixth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on Friday of every second week; or

C. one-twenty-fourth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on the first and fifteenth days of every month; or

D. one-twelfth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on the first day of every month,

and the Mortgagor shall also pay to the Mortgagee on demand, the amount, if any, by which the actual Taxes exceed such estimated amount; and

(v) the Mortgagor shall pay to the Mortgagee on demand interest, at the Actual Mortgage Rate, on the debit balance, if any, of the Mortgagor's tax account outstanding after payment of Taxes by the Mortgagee, until such debit balance is fully repaid; and the payment of such interest shall be secured by the Mortgage.

The Mortgagee shall apply such payments to pay Taxes only so long as a Default has not occurred but nothing herein shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. If, before a sum or sums so paid to the Mortgagee shall have been so applied, there shall be a Default, the Mortgagee may apply such sum or sums in or towards payment of any part or parts of the Debt as the Mortgagee may determine. The Mortgagor shall transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith after receipt of same.

Good Title and Free From Encumbrances

(d) At the time of execution and delivery of the Mortgage, the Mortgage is subject only to any prior mortgage to which the Mortgagee has consented in writing (hereinafter individually or collectively, as the case may be, called the "Prior Mortgage"); the Mortgagor is the legal and beneficial owner of, and has a good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or, if paragraph 23 applies to the Mortgage, a good and absolute leasehold interest in the Mortgaged Land), without any encumbrance, lien, charge, mortgage, reservation, limitation, proviso or condition whatsoever except those contained in the original grant thereof from the Crown; and the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land to the Mortgagee in accordance with the provisions of the Mortgage; and the Mortgagor has not done, omitted or permitted anything whereby the Mortgaged Land or the Mortgagor's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected except for the Mortgage and any Prior Mortgage; and the Mortgagor agrees that, except for any Prior Mortgage, the Mortgagor shall keep the Mortgaged Land (or, if paragraph 23 applies to the Mortgage, the Mortgagor's leasehold interest therein) free and clear of and from all encumbrances, liens, charges and mortgages including, without limitation, any outstanding statutory liens or charges on the Mortgaged Land, arrears of Taxes, liens for arrears of condominium common element expenses or other condominium charges or expenses, executions, and rights (which encumbrances, liens, charges and mortgages including each Prior Mortgage, if any, are hereinafter collectively called "Other Claims").

Payments by Mortgagee of Other Claims

(e) The Mortgagee may pay the whole or any part of any Other Claims at any time having priority over the Mortgage. The amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate. The Mortgagee shall be entitled to the equities, rights and securities of the person or persons so paid and to obtain an assignment of any Other Claims so paid and of any right to payment, and the Mortgagee is authorized to retain any discharge of any Other Claims, without registration, until payment to the Mortgagee in full of such Other Claims.

Insurance

(f) The Mortgagor (or if the Mortgaged Land includes a condominium unit, the applicable condominium corporation) shall, at the Mortgagor's sole expense (or such condominium corporation's sole expense), forthwith insure and during the continuance of the Mortgage keep insured in favour of the Mortgagee against loss or damage by fire, lightning and tempest and such other risks and perils as the Mortgagee may require including risks and perils covered by an "all risks" policy with standard extended coverage, each and every building now or hereafter erected on the Mortgaged Land, both during erection and thereafter, and also crops and other personal property or produce of land which may be charged by the Mortgage, for the full replacement cost thereof, and in an amount sufficient to avoid the application of any co-insurance provisions. Furthermore, in the case of commercial, industrial and/or income producing properties, this covenant shall also include, without limitation, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Mortgagee. Without limiting the foregoing and in addition thereto:

(i) Prior to any advance of principal, the Mortgagor shall deliver to the Mortgagee a certified copy of each policy of insurance and receipts evidencing the payment of premiums for such insurance, and each such policy shall contain a standard mortgage clause approved by the Mortgagee, shall have provisions satisfactory to the Mortgagee and shall be issued by an insurer or insurers satisfactory to the Mortgagee; if the Mortgaged Land includes a condominium unit, the Mortgagor or the applicable condominium corporation shall assign, transfer and deliver to the Mortgagee certificates of insurance and insurance proceeds with respect to such unit; if any policy or any insurer at any time ceases to be satisfactory to the Mortgagee, the Mortgagor shall effect such new insurance as the Mortgagee may require.

(ii) Each policy shall contain an undertaking by the insurer to notify the Mortgagee in writing not less than fifteen days prior to any material change, cancellation, failure to renew or termination thereof.

(iii) At least fifteen days prior to the expiry of a policy or at least five days prior to the date fixed for cancellation of a policy should notice of cancellation be given, the Mortgagor shall deliver to the Mortgagee evidence of renewal or replacement therefor.

(iv) The loss under each policy shall be made payable to the Mortgagee as beneficiary and mortgagee as its interest may appear with preference in its favour over any claim of any other person or persons.

(v) In the event of failure on the part of the Mortgagor to fulfill any obligation of the Mortgagor under subparagraph 6(f) hereof, the Mortgagee shall be entitled (but shall not be obligated), unless such failure is rectified within two days after written notice by the Mortgagee to the Mortgagor of such failure, to effect such insurance as it deems proper and the Mortgagor shall promptly pay to the Mortgagee, on the then next date on which interest is payable by the Mortgagor, all premiums paid by the Mortgagee and such amount payable by the Mortgagor shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

(vi) If the Mortgaged Land includes a condominium unit, the Mortgagor shall (and shall cause the applicable condominium corporation to) comply with all provisions of the applicable policy, observe and perform all duties and obligations imposed by statute or by the applicable condominium declaration and by-laws and, without limitation, comply with all the insurance provisions of the declaration and the Mortgagor, as a member of such condominium corporation, shall seek full compliance by such condominium corporation with all such covenants.

(vii) In case of any loss or damage, the Mortgagor shall, at the Mortgagor's sole expense, immediately notify the Mortgagee of such loss or damage, fully comply with all provisions of the applicable policy, and furnish all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of all insurance moneys. Production of the Mortgage shall be sufficient authority for any insurer concerned (and such insurer is hereby directed by the Mortgagor) to pay any such loss to the Mortgagee. The Mortgagee shall have the right in its sole discretion, to the extent permitted by law, to apply the moneys in whole or in part in and to any one or more of the following:

A. in reduction of the Debt, including any principal amount outstanding under the Mortgage notwithstanding that such amount at such time may not be due and payable;

B. in payment of costs of rebuilding, reinstating, repair or reconstruction; or

C. in payment to subsequent encumbrancers entitled thereto, the Mortgagor or assigns thereof, as their interests may appear.

No damage to the insured property shall be repaired or any reconstruction effected without the prior written approval of the Mortgagee.

(viii) As additional and separate security for payment of the Debt and all other indebtedness secured by the Mortgage, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom.

Further Assurances

(g) The Mortgagor and each and every person having or claiming to have an estate, right, title, interest or trust of, in or to the Mortgaged Land shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances and assurances as may be required to fully and effectually carry out the true intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be added to the Debt.

Liens

(h) The Mortgagor shall, within twenty-one days after a request by the Mortgagee to do so, cause to be discharged all construction lien claims registered against the Mortgaged Land.

Discharge of Part of Mortgaged Land

(i) The Mortgagee may at its discretion, subject to the provisions of applicable law, from time to time release or discharge any part or parts of the Mortgaged Land, any other security or any guarantor or surety for the Debt either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing or discharging the Mortgagor, any other part of the Mortgaged Land, other security, or other guarantor or surety from the Mortgage or from any covenants contained or incorporated in the Mortgage and without being accountable to the Mortgagor for the value thereof or for any money other than that actually received by the Mortgagee, and every part or lot into which the Mortgaged Land is or may hereafter be divided shall continue to be mortgaged and charged with the whole amount of the Debt.

Granting of Time, etc.

(j) The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Mortgagor, any guarantor or surety, and all other persons and securities as the Mortgagee may see fit without prejudicing any of the rights of the Mortgagee under the Mortgage.

Waste

(k) The Mortgagor shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof and shall maintain the buildings, erections, fixtures and other improvements on the Mortgaged Land in good order and repair to the satisfaction of the Mortgagee.

Alterations

(l) The Mortgagor shall not, subject to subparagraph (m), make or permit to be made, any alterations or additions to the Mortgaged Land or any buildings thereon without the prior written consent of the Mortgagee and the Mortgagor will not allow the Mortgaged Land to remain unoccupied or unused.

Compliance with Laws, Good Condition, Inspection and Repairs

(m) The Mortgagor shall comply with all laws, by-laws and regulations affecting the Mortgaged Land, and with all orders, directives and requirements of any governmental authority or agency having jurisdiction and, at the Mortgagor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any change in use that may be required from time to time to effect such compliance. The Mortgagor shall maintain the Mortgaged Land and all buildings, fixtures and other improvements on the Mortgaged Land in good condition and repair. The Mortgagee or any agent thereof may from time to time enter upon the Mortgaged Land and inspect the same and make such repairs as the Mortgagee deems necessary without being deemed to be a mortgagee in possession. The Mortgagor shall, on demand by the Mortgagee, reimburse the Mortgagee for all reasonable costs of such inspection and repairs and such amounts owing by the Mortgagor shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

Advance of Principal

(n) If any portion of the principal amount to be advanced by the Mortgagee and secured by the Mortgage is not advanced at the date of registration of the Mortgage, the Mortgagee may advance the same in one or more sums at any future date or dates and the amount of each such advance shall be secured by the Mortgage and be repayable with interest at the Actual Mortgage Rate and for all purposes of priority shall be considered and treated as having been so secured and advanced at the date of registration of the Mortgage. For greater certainty, where such subsequent advances are part of the principal amount contemplated by the Mortgagee at the time the Mortgage is granted, the letter, agreement or instrument referred to in subparagraph 3(b) shall not be required in order to effect the foregoing. None of the preparation, execution, delivery or registration of the Mortgage, or the advance in part of the principal amount of the Mortgage shall obligate the Mortgagee to advance the whole of the principal amount or any unadvanced portion thereof but nevertheless the Mortgage shall take effect forthwith on the execution and delivery of the Mortgage by the Mortgagor.

Waiver

(o) No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times hereunder shall operate as a waiver by the Mortgagee of a subsequent default, breach or non-performance or adversely affect in any way the rights of the Mortgagee hereunder.

Effect of Sale

(p) No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall, subject to paragraph 16, in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor, any guarantor or surety, or any other person or persons liable for payment of the Debt.

Extension of Time and Amendments

(q) No extension of time given by the Mortgagee to the Mortgagor or anyone claiming under the Mortgagor or any other amendment to the Mortgage or any other dealing by the Mortgagee with the owner of the Mortgaged Land shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor or surety, or any other person or persons liable for payment of the Debt. The Term of the Mortgage may be extended, the terms of payment changed and any other amendments effected by a written agreement between the Mortgagor and the Mortgagee with or without an increased rate of interest. Such amendment agreement need not be registered, but shall bind the Mortgaged Land. The priority of the Mortgage as extended and amended vis à vis subsequent transferees and encumbrancers shall remain unchanged whether or not such amendment agreement is registered. Nothing herein shall confer on the Mortgagor any right to an extension or amendment of the Mortgage.

Discharge or Assignment

(r) The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any security held by the Mortgagee and shall have a reasonable time after payment of all Debt within which to prepare, execute and deliver such documents. Interest at the Actual Mortgage Rate shall continue to accrue to the date of receipt of such payment in full. All reasonable fees and expenses of the Mortgagee and all reasonable fees and disbursements of the Mortgagee's counsel in connection with the preparation, review, execution and delivery of such documents shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee as a condition precedent to the delivery of such documents.

Other Security

(s) The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee for all or any part of the Debt, and the Mortgagee may, at its option, pursue its remedies thereunder, under the Mortgage or at law concurrently or successively. Any judgment or recovery under the Mortgage or under any other security held by the Mortgagee for the Debt shall not affect the right of the Mortgagee to realize upon the Mortgage or any other such security.

Fixtures

(t) For greater certainty, all erections and improvements fixed or otherwise now on or hereafter put on the Mortgaged Land, including without limiting the generality of the foregoing, all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings and all other apparatus and equipment appurtenant thereto and all accessions and accretions of any kind or nature are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Mortgaged Land.

Expenses

(u) The Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, an amount equivalent to all expenses paid or incurred by the Mortgagee in respect of the Mortgage or the Mortgaged Land including, without limitation:

(i) solicitor's, inspector's, valuator's and surveyor's fees and expenses (including all such fees and expenses incurred in valuing the Mortgaged Land, preparing and registering the Mortgage, investigating the Mortgaged Land or title thereto, and making or maintaining the Mortgage as a first mortgage and charge of the Mortgaged Land);

(ii) insurance premiums, Taxes, and amounts paid in respect of any Prior Mortgage, Other Claims, liens, charges, encumbrances or claims charged or to be charged against the Mortgaged Land;

(iii) costs of maintaining, repairing, restoring or completing the Mortgaged Land;

(iv) costs of inspecting, leasing, managing or improving the Mortgaged Land, including the price of any goods of any sort or description supplied to be used on the Mortgaged Land; and

(v) costs of exercising or enforcing or attempting to exercise or enforce any right, power, or remedy pursuant to the Mortgage or otherwise including all legal costs, on a solicitor and his or her own client scale, and any costs of consultants or other advisers to the Mortgagee in connection with such enforcement,

whether such amounts are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise and whether or not any principal amount is advanced. All such amounts shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

Money Received

(v) The Mortgagee shall not be accountable for any amounts except those actually received by the Mortgagee.

Change in Spousal Status

(w) After any change or event affecting any of the following, namely,

- (i) the spousal status of the Mortgagor;
- (ii) the qualification of the Mortgaged Land as a matrimonial home; or
- (iii) the ownership of the Mortgaged Land,

the Mortgagor will forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Mortgaged Land and of any spouse who is not an owner but who has a right to possess the Mortgaged Land. In furtherance of such intention, the Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subparagraphs (i), (ii) and (iii) of this provision as the Mortgagee may from time to time request.

Environmental Inspection and Testing

(x) The Mortgagee, agent of the Mortgagee, or agent of the applicable mortgage insurer may, at any time, before and after Default, and for any purpose deemed necessary by it, enter upon the Mortgaged Land to inspect the Mortgaged Land. Without in any way limiting the generality of the foregoing, the Mortgagee or the applicable mortgage insurer (or their respective agents) may enter upon the Mortgaged Land to conduct any environmental testing, site assessment, investigation or study deemed necessary by it (or them) and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Actual Mortgage Rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the Mortgaged Land. The exercise of any of the powers herein shall not deem the Mortgagee, the mortgage insurer or their respective agents to be in possession, management or control of the Mortgaged Land.

7. MORE FREQUENT PAYMENT PROVISIONS

If the Mortgage provides for the payment of instalments of principal and interest more frequently than monthly, the Mortgagor shall make all instalment payments of principal and interest and pay Taxes and life insurance premiums, if applicable, in accordance with the provisions of the Mortgage and the following provisions shall apply:

(a) Despite anything in the Mortgage to the contrary, in the event there occurs a Default, the Mortgagor shall pay to the Mortgagee all arrears then outstanding and shall, at the option of the Mortgagee, pay to the Mortgagee, principal, interest and Taxes in monthly instalments; the amount of such monthly instalments and the terms of repayment shall be determined by the Mortgagee provided that the original amortization period of the Mortgage is not extended as a result of the Mortgagor's making monthly payments of principal, interest and Taxes; provided further that nothing herein contained shall prejudice the Mortgagee's rights pursuant to the provisions contained in or incorporated into the Mortgage which require payment, at the Mortgagee's option, of all Debt, if a Default occurs.

(b) The Mortgagor shall maintain with the Mortgagee or another financial institution satisfactory to the Mortgagee, an account of a type which is satisfactory to the Mortgagee. The Mortgagor shall authorize the Mortgagee to debit such account automatically by an amount equivalent to the amount of each instalment of principal, interest, Taxes and life insurance premiums (if applicable) payable, when each such instalment is due. If the account is with another financial institution, the Mortgagor shall cause such other financial institution to remit such amount to the Mortgagee when each instalment is due. The Mortgagor shall, at the Mortgagee's request, execute such authorization in form and substance satisfactory to the Mortgagee.

(c) The Mortgagor shall ensure that there are, at all times, sufficient funds deposited to the account referred to in subparagraph 7(b) hereof to pay each instalment when due. Failure by the Mortgagor to comply with the foregoing, cancellation by the Mortgagor of the authorization referred to in subparagraph 7(b) hereof or termination of such account shall constitute a Default.

8. SALE, CONVEYANCE OR TRANSFER OF MORTGAGED LAND

In the event the Mortgagor sells, conveys, transfers or enters into an agreement to sell, convey or transfer the Mortgaged Land to a purchaser or a transferee thereof who is not approved by the Mortgagee in writing, the Debt shall, at the Mortgagee's option, become forthwith due and payable; provided that the Mortgagee shall not unreasonably withhold such approval.

9. AUTOMATIC RENEWAL AT MATURITY OF SIX MONTH TERMS, ONE YEAR TERMS AND TWO YEAR TERMS

If at any time the Term of the Mortgage (or any subsequent term of the Mortgage) is six months, one year or two years, the Mortgagor shall be entitled at maturity, provided a Default has not then occurred, to automatic further six month, one year or two year term extensions respectively without paying a renewal fee. Prior to the end of each six month, one year or two year term, the Mortgagee will provide the Mortgagor with a notice offering to extend the then current term of the Mortgage for a further six month, one year or two year term, provided the Mortgagor pays interest at the amended rate and the amended amount of the mortgage payments to the new maturity date, all as specified by the notice. If the Mortgagee does not receive from the Mortgagor before the then existing maturity date written advice that the Mortgagor does not accept such offer, the Mortgagor shall be deemed to have accepted the Mortgagee's offer. The Mortgagor's failure to respond to or receive such notice shall not prevent the interest rate from changing, on the first day of the extended term, to the rate specified by the notice, or otherwise affect the foregoing. The Mortgagee may terminate the foregoing automatic renewal program on six months' written notice to the Mortgagor.

10. AUTOMATIC RENEWAL AT MATURITY OF OTHER TERMS

If at any time:

(a) the Term of the Mortgage (or any subsequent term of the Mortgage) is not six months, one year or two years; and

(b) the Mortgagor does not pay all Debt to the Mortgagee at the end of such term; and

(c) the Mortgagor and the Mortgagee do not, prior to the end of such term, amend the Mortgage to extend the term further,

the Mortgage shall, at the Mortgagee's option, without further action by the Mortgagee, the Mortgagor or any other person, be amended as at the last day of such term, so that the term is extended for a further six months, the interest rate payable by the Mortgagor is a fixed rate equivalent to the fixed rate then charged by the Mortgagee for open prepayment residential first mortgage loans made by the Mortgagee in Canada with terms of six months commencing on such date, the instalments of principal and interest are payable with the same frequency after such amendment as before but in an amended amount of which the Mortgagee will advise the Mortgagor, and the Mortgagor may, when not in default, prepay principal in minimum amounts of $100 at any time after such amendment without notice or bonus.

11. MORTGAGE RATE PROTECTION PLAN

The Mortgagor shall be entitled at any time when not in default under the Mortgage, to ask for an amendment to the Mortgage. If the Mortgagee agrees to amend the Mortgage, such amendment shall be in accordance with a mortgage amending agreement in form and substance satisfactory to the Mortgagee, which shall stipulate, among other things, the Effective Date; provided that the Mortgagor pays to the Mortgagee before the Effective Date of the amendment, an additional amount equivalent to the following:

(a) if the Term of the Mortgage is not longer than five years, the Amendment Interest Rate Differential Amount, provided that the additional payment required by this subparagraph (a) shall be not less than an amount equivalent to three months' interest at the Actual Mortgage Rate on the principal amount outstanding on the Effective Date; or

(b) if the Term of the Mortgage is longer than five years and the Effective Date is:

  (i) on or after the fifth anniversary of the Interest Adjustment Date, an additional amount equivalent to three months' interest at the Actual Mortgage Rate on the principal amount outstanding on the Effective Date; or

  (ii) before the fifth anniversary of the Interest Adjustment Date, the Amendment Interest Rate Differential Amount provided that the additional payment required by this subparagraph (b)(ii) shall be not less than an amount equivalent to three months' interest at the Actual Mortgage Rate on the principal amount outstanding on the Effective Date.

Despite the foregoing, the additional amount referred to in subparagraphs (a) and (b) shall not be payable by the Mortgagor to the Mortgagee if the Mortgagor and the Mortgagee amend the Mortgage to a limited prepayment fixed rate mortgage with an amended term of one year or more and if the Mortgage had a term of six months immediately before such amendment.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200209 .... Date

12. MORTGAGOR'S PORTABILITY OPTION

At any time prior to the Maturity Date:

(a) the Mortgagor shall be entitled to request from the Mortgagee a new loan in any amount, which matures on the Maturity Date and which bears interest at a new rate based on:

   (i) the fixed interest rate specified by the Mortgage, on an amount up to and including the principal amount of the Mortgage outstanding on the date the new loan is advanced; and

   (ii) the interest rate determined by the Mortgagee, on the amount of such new loan which exceeds the amount referred to in subparagraph (i),

   repayment of such new loan to be secured by a first mortgage of the Mortgaged Land or, if the Mortgaged Land is sold and new property purchased by the Mortgagor, by a first mortgage of such new property; or

(b) any person to whom the Mortgagor sells the Mortgaged Land shall be entitled (with the prior written consent of the Mortgagor) to request from the Mortgagee a new loan which matures on the Maturity Date and which bears interest at the new rate referred to in subparagraph (a), repayment of such new loan to be secured by a first mortgage of the Mortgaged Land,

provided that only one of the Mortgagor and the person to whom the Mortgagor sells the Mortgaged Land shall be entitled to make such request, and provided the approval of any request and the conditions of any such approval shall be entirely at the discretion of the Mortgagee.

13. BLEND AND EXTEND OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee:

(a) to extend the Term of the Mortgage to a term requested by the Mortgagor and satisfactory to the Mortgagee at an amended fixed interest rate determined by the Mortgagee provided that the amended mortgage shall contain prepayment provisions similar to those set out in paragraph 5 hereof; or

(b) to lend an additional principal amount to the Mortgagor pursuant to a new mortgage of the Mortgaged Land to be granted by the Mortgagor to the Mortgagee, in form and substance and with priority satisfactory to the Mortgagee, with a term longer than the Term of the Mortgage at a fixed interest rate determined by the Mortgagee provided that the new mortgage contains prepayment provisions similar to those set out in paragraph 5 hereof.

The amended or new fixed interest rate shall be determined by the Mortgagee, in the Mortgagee's sole discretion, based on the existing interest rate in respect of the existing Term of the Mortgage and the Mortgagee's then current interest rate in respect of the amended term or new term requested by the Mortgagor. The approval of any such request and the conditions of any such approval shall be entirely at the discretion of the Mortgagee.

14. RATE BUYDOWN OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee to amend the Mortgage to reduce the interest rate applicable to the Mortgage by not more than 3% per annum if the Term of the Mortgage is three years or longer, or by not more than 2% per annum if the Term of the Mortgage is shorter than three years, provided the Mortgagor pays to the Mortgagee an additional amount determined by the Mortgagee to compensate the Mortgagee for all loss of revenue suffered by the Mortgagee as a result of such reduced interest rate.

15. DEFERRED PAYMENT OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee to permit the Mortgagor to defer payment of one or more consecutive instalments of principal and interest pursuant to the Mortgage for any reason satisfactory to the Mortgagee. If the Mortgagee grants such request, the Mortgagor shall pay interest on the amount of any such deferred instalment at the Actual Mortgage Rate, including interest on unpaid interest, until such deferred amount is fully paid. The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to prepay such deferred amount in whole or in part, without payment of any bonus. Such right is in addition to any other applicable voluntary prepayment right set out in the Mortgage.

16. UNDERTAKING NOT TO SUE MORTGAGOR AFTER APPROVED SALE OF MORTGAGED LAND

The Mortgagor shall be entitled, when not in default under the Mortgage, upon the sale of the Mortgaged Land by the Mortgagor to a purchaser who is satisfactory to the Mortgagee (in the Mortgagee's sole discretion), to obtain from the Mortgagee an undertaking by the Mortgagee not to sue the Mortgagor pursuant to the Mortgage if the purchaser defaults or the purchaser's assigns default pursuant to the Mortgage after the completion of the sale of the Mortgaged Land to the purchaser. The purchaser shall be deemed not to be satisfactory to the Mortgagee unless and until the Mortgagee delivers such undertaking to the Mortgagor in writing.

17. DISCRETION OF THE MORTGAGEE WHETHER TO GRANT REQUESTS OR ENTER INTO AMENDMENT AGREEMENTS

Despite any other provision of the Mortgage, the Mortgagee shall have no obligation to grant any request of the Mortgagor referred to in paragraphs 11, 12, 13, 14, 15 or 16 hereof. The Mortgagee shall be deemed not to have granted such request unless the Mortgagee delivers to the Mortgagor a written agreement satisfactory to the Mortgagee agreeing to such request or amending the Mortgage to reflect such request or unless such agreement is made in accordance with paragraph 26. Whenever the Mortgage provides for an amendment agreement, such amendment agreement shall be in form and substance satisfactory to the Mortgagee, shall not, subject to paragraph 26, be effective unless signed by the Mortgagor, the spouse of the Mortgagor, if applicable, and any Guarantor, and shall specify the date on which such amendment becomes effective. If the amendment agreement provides for the payment of an amendment fee, the Mortgagor shall pay such fee to the Mortgagee, in an amount satisfactory to the Mortgagee, at or before the time such amendment is effective.

18. PROVISIONS WHICH DO NOT APPLY IF THE MORTGAGED LAND IS NON-RESIDENTIAL MORTGAGED LAND

Despite any other provision of the Mortgage, paragraphs 7, 9, 10, 11, 12, 13, 14, 15 and 16 hereof shall not apply to the Mortgage or the Mortgaged Land if the Mortgaged Land is Non-Residential Mortgaged Land.

19. CONDOMINIUM PROVISIONS

If the Mortgaged Land is a condominium unit or includes a condominium unit, the following provisions shall apply:

(a) the Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, the Condominium Act, all amendments thereto, all legislation passed in substitution therefor, and the declaration, by-laws and rules, as amended from time to time, of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium unit charged by the Mortgage;

(b) the Mortgagor shall pay promptly when due any and all unpaid common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof;

(c) upon Default herein and notwithstanding any other right or action of such condominium corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessments, levies, instalments, payments or any other amounts due to the Mortgagee or arising pursuant to this provision; and

(d) the Mortgagor hereby authorizes the Mortgagee to exercise the right of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or arising under the Condominium Act, the declaration or the by-laws of the condominium corporation, provided that:

    (i) in any case where the Mortgagee is entitled under the Condominium Act to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;

(ii) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and

(iii) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

20. DEFAULT

Despite any other provision of the Mortgage, upon the occurrence of a default in payment of any principal amount, interest or other amount payable pursuant to or in respect of the Mortgage, or upon the occurrence of a default by the Mortgagor pursuant to any provision of the Mortgage or any provision of a Prior Mortgage, or upon discovery by the Mortgagee that any covenant or representation contained in the Mortgage or in any loan or mortgage application made by the Mortgagor is breached or untrue, or upon the Mortgagor's permitting any buildings forming part of the Mortgaged Land to remain unfinished without any work being done thereon for ten days, or upon the expropriation of all or any part of the Mortgaged Land, or upon waste being committed or permitted on the Mortgaged Land (each of which events is referred to as a "Default"), all Debt shall, at the option of the Mortgagee, forthwith become due and payable, the Mortgagor shall forthwith pay all Debt to the Mortgagee, all the Mortgagee's rights and remedies pursuant to the Mortgage or otherwise available at law shall become exercisable and, without limitation to the foregoing, the following shall apply:

(a) The Mortgagee may, at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any obligation of the Mortgagor in respect of the Mortgaged Land or the Mortgage.

(b) The Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon and take possession of the Mortgaged Land, the Mortgagee shall have quiet possession of the Mortgaged Land free of all encumbrances, and the Mortgagee may, after giving any notices required by law, make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements forming part of the Mortgaged Land, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the Mortgaged Land as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for any of such purposes, shall be forthwith payable to the Mortgagee, and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

(c) After any Default has continued for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice sell the Mortgaged Land or any part or parts thereof.

(d) The following provisions shall apply, where applicable, with respect to the lease or sale of the Mortgaged Land by the Mortgagee:

(i) notice of sale shall be given to such persons and in such manner and form as required by law; provided that in the event that the giving of such notice of sale shall not be required by law or to the extent that any notice requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied, or at the option of the Mortgagee, by mailing it by registered mail addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;

(ii) such notice of sale shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability;

(iii) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and on such terms as to credit and otherwise and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise as the Mortgagee in its discretion shall deem proper;

(iv) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until such moneys are actually received by the Mortgagee;

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200209 Cote

(v) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;

(vi) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees or any severable part of the Mortgaged Land and the purchaser shall have all necessary access for severing, cutting and removal;

(vii) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety, and no lack of default, lack of notice or failure to comply with any requirement, and no irregularity or impropriety of any kind shall invalidate any sale or lease by the Mortgagee;

(viii) the Mortgagee may sell or lease without entering into actual possession of the Mortgaged Land but when it wishes to take possession it may break locks and bolts and while in possession shall only be accountable for moneys received by it;

(ix) subject to compliance with the Planning Act, and the Condominium Act if applicable, as each may be amended from time to time, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any portion of the Debt, leaving the balance of the Debt secured by the Mortgage on the remainder of the Mortgaged Land, or the Mortgagee may take proceedings to sell and may sell the Mortgaged Land for part of any sums owing or in arrears subject to the balance of said sums not yet due at the time of the said sale;

(x) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under the Planning Act and to do all things and execute all documents to effectually complete any such sale or lease;

(xi) the Mortgagee may lease or take sale proceedings notwithstanding that other proceedings have been taken or are then pending;

(xii) the proceeds of any sale or lease shall be applied firstly in payment of any costs (including legal fees on a solicitor and his or her own client basis), expenses, commissions and fees which may be incurred in taking, recovering or keeping possession of the Mortgaged Land or in making sales, leases and conveyances as aforesaid or by reason of non-payment or procuring payment of any amounts owing under the Mortgage (including sums which the Mortgagee has paid for Taxes, insurance, repairs, maintenance, common expenses and other amounts added thereto or payable by the Mortgagor to the condominium corporation if the Mortgaged Land is or includes a condominium unit); and thereafter to reduce the Debt in the manner determined by the Mortgagee and, for greater certainty, the Mortgagor shall continue to be liable for and shall pay to the Mortgagee all Debt which then remains unpaid;

(xiii) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by its wilful neglect or default; and

(xiv) no sale or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the Debt.

Despite the foregoing power of sale, the Mortgagee shall be entitled to its right of foreclosure of the right of redemption of the Mortgagor as fully as if the power of sale were not contained herein.

(e) The Mortgagee may forthwith take such proceedings to realize on its security created by the Mortgage by foreclosing against the Mortgaged Land or by any other action or act to which it is entitled by law.

(f) The Mortgagee may distrain for payment of amounts owing under the Mortgage upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover the same by way of rent reserved as in the case of demise of the Mortgaged Land and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

(g) The taking of a judgment or judgments on any of the covenants herein or in the Mortgage contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest under the Mortgage at the Actual Mortgage Rate and the said judgment may provide at the option of the Mortgagee that interest thereunder shall be computed at the Actual Mortgage Rate until the said judgment shall have been fully paid and satisfied.

21. CERTAIN IMPLIED COVENANTS EXCLUDED

The covenants deemed by subsection 7(1) of the Act to be included in the Mortgage are expressly excluded from the Mortgage.

22. NATIONAL HOUSING ACT

If the Mortgage is insured by Canada Mortgage and Housing Corporation against default:

(a) the Mortgage is made pursuant to the National Housing Act ;

(b) if there is any conflict between any provision of the Mortgage and any requirement of the National Housing Act or the National Housing Loan Regulations, such latter requirement shall govern; and

(c) all requirements of the National Housing Act and the National Housing Loan Regulations are hereby incorporated herein.

23. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a lease referred to in the Mortgage, the following provisions shall apply:

(a) The Mortgagor represents and warrants the Mortgagee as follows:

(i) The lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage.

(ii) The Mortgagor now has good right, full power and lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

(b) The Mortgagor agrees with the Mortgagee as follows:

(i) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Claims and if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. Upon receipt by the Mortgagee from the landlord, any prior encumbrancer, any claimant of any of the Other Claims or any other person of any written notice of default, the Mortgagee may rely thereon and take any action to cure such default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand, and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate from the date of each such payment.

(ii) If the Mortgage is outstanding at the expiration of the term of the lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew the lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal, the Mortgagee may effect any such renewal in the name of the Mortgagor or otherwise, and every such new or renewed lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.

(iii) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the residue of the term granted by the lease in trust for the Mortgagee, and shall assign and dispose thereof as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's substitute to be the Mortgagor's attorney for and on behalf of the Mortgagor to assign the lease and convey the leasehold interest in the Mortgaged Land and the said reversion as the Mortgagee shall at any time direct, and in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the lease and convey the Mortgager's leasehold interest in the Mortgaged Land and the reversion to a purchaser. This appointment is coupled with an interest and shall not be revoked by the Mortgagor. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the lease under the above declaration of trust and appoint a new trustee or trustees.

(iv) The Mortgagor shall not surrender, terminate, amend or modify the lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the lease or under any prior encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.

(v) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

(c) Despite any other provision of the Mortgage, the last day of the term of the lease or any renewal thereof or any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

(d) Despite subparagraph 3(a) hereof and any other provision of the Mortgage, the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the lease (including, without limitation, any right of renewal and any right to purchase the Mortgaged Land or any part thereof as set out in the lease), the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the lease.

(e) Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the lease. Each reference to the lease in the Mortgage shall include the lease, as amended or replaced from time to time.

24. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

(a) The assignment of each of the foregoing and of each of the rents and other amounts by the Mortgagor to the Mortgagee pursuant to subparagraph 3(a) hereof shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, tenancy agreements or other similar agreements or the rents or other amounts paid or payable thereunder.

(b) Until a Default occurs the Mortgagor may collect, retain and apply all rents and other similar amounts and deal with all leases, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

(c) Nothing herein shall obligate the Mortgagee to assume or perform any obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

(d) The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's Successors or assigns, any or all of the foregoing.

(e) The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce the Debt.

(f) Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

25. GUARANTEE

The following shall apply to each Guarantor:

(a) The Guarantor unconditionally guarantees to the Mortgagee payment when due of all Debt and the performance by the Mortgagor of each of the covenants, conditions, obligations and provisions to be observed or performed by the Mortgagor pursuant to the Mortgage. The guarantee is given by the Guarantor as principal debtor and not as surety and the Guarantor shall be liable to the Mortgagee in the same manner and to the same extent as if the Guarantor had executed the Mortgage as Mortgagor. The guarantee shall not be, nor be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment or reassignment of the Mortgage at any time and from time to time, by reason of any amendment or modification to the Mortgage, or by reason of the release or discharge of the Mortgagor in any creditor, receivership, bankruptcy, insolvency or other proceedings. In the event of any Default, the Guarantor waives any right to require the Mortgagee to proceed against the Mortgagor or to seek or exhaust the Mortgagee's rights, remedies or recourse against the Mortgagor, the Mortgaged Land, or any other person or security before proceeding against the Guarantor or obtaining payment from the Guarantor of all Debt. The Guarantor expressly waives the benefits of discussion and division and notice of Default. The Guarantor acknowledges that the Mortgage would not have been entered into by the Mortgagee without the guarantee. If the Mortgagor is a corporation, no change thereto or therein including any amalgamation with any other corporation, shall in any way affect the liability of the Guarantor either with respect to any part of the mortgage transaction occurring before or after any such change and the Mortgagee shall not be concerned to see or inquire into the powers of the Mortgagor or any of its directors or other agents, acting or purporting to act on its behalf and any amount borrowed or obtained from the Mortgagee in professed exercise of such powers, shall be deemed to form part of the Debt hereby guaranteed, notwithstanding that such borrowing or obtaining of advances shall be in excess of the powers of such corporate Mortgagor or of its directors or other agents as aforesaid, or be in any way irregular, defective or informal. The Mortgagee, without exonerating the Guarantor in whole or in part may, without the Guarantor's consent, grant time, renewals, extensions, indulgences, releases and discharges to, may take securities (including the Mortgage) from, and may give the same and any and all existing securities up to, may abstain from taking securities from or perfecting securities (including the Mortgage) of, may accept compositions from, or may otherwise deal with the Mortgagor and all other persons (including any other guarantor or Guarantor) and securities, as the Mortgagee may see fit, and all dividends, compositions and amounts received by the Mortgagee from the Mortgagor or from any other person or estate capable of being applied by the Mortgagee in reduction of the Debt hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Mortgagee shall be entitled to prove against the estate of the Mortgagor upon any insolvency or winding up in respect of the whole of the Debt, and the Guarantor shall have no right to be subrogated to the Mortgagee in respect of any such proof or otherwise until the Mortgagee shall have received from such estate or the Guarantor payment in full of all amounts then owing to the Mortgagee. The Guarantor acknowledges that the guarantee has been delivered free of any conditions and that no representations or warranties have been made to the Guarantor affecting the Guarantor's liability under the guarantee or otherwise. The guarantee is in addition to and not in substitution for any other guarantee or guarantees now or hereafter held by the Mortgagee. The guarantee shall remain in full force and effect until all Debt has been indefeasibly paid in full and until the Mortgagee has delivered a written release to the Guarantor. The Guarantor shall, on demand by the Mortgagee, reimburse the Mortgagee for all costs incurred by the Mortgagee in enforcing the guarantee and the other provisions of the Mortgage.

(b) Whenever the guarantee is given by more than one person, all covenants, liabilities and obligations of the Guarantor shall be joint and several. The obligations of the Guarantor shall be binding on the Guarantor and the Guarantor's Successors and may be enforced by the Mortgagee or by a successor or assignee of the Mortgagee, whether or not any notice is given of such assignment.

26. MANNER OF AMENDING THE MORTGAGE AND GRANTING REQUESTS

If the Mortgagor wishes to make amendments to the Mortgage and such amendments are satisfactory to the Mortgagee, then the Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, hereby authorize the Mortgagee to act and rely on oral agreements, facsimile signed agreements, and electronically transmitted agreements among the Mortgagor, the Mortgagee, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, and all such persons shall be bound by such amendment agreements. The Mortgagee may also grant the Mortgagor's requests orally, by facsimile or electronically. The Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, hereby authorize the Mortgagee to record such oral agreements and the discussions with respect to such amendments or requests and to use such recordings as evidence of such oral agreements. The Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, shall execute and deliver to the Mortgagee, promptly after a request by the Mortgagee, a written agreement evidencing any such oral agreement or electronically transmitted agreement. The Mortgagee shall not be obligated to act or rely on any oral agreement or electronically transmitted agreement and may terminate any oral agreement or electronically transmitted agreement if for any reason the Mortgagee believes that the agreement was not made with the appropriate persons or if the agreement is not accurate or not understood. The Mortgagee may take steps to confirm the identity of such other persons prior to making any amendment agreement or granting any request. The Mortgagee may terminate, at any time in the Mortgagee's discretion, the right of the Mortgagor to enter into oral agreements or electronically transmitted agreements with the Mortgagee.

27. GOVERNING LAW

This set of standard charge terms and the Mortgage shall be governed by the laws of Ontario.

28. TITLES AND MARGINAL NOTES

Titles and marginal notes in this set of standard charge terms and in any Schedule or Schedules to the Mortgage are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of the Mortgage, this set of standard charge terms or any provision of either.

29. MISCELLANEOUS

Whenever a Mortgage is made or assumed by more than one person, all such persons shall be jointly and severally liable for all covenants, liabilities and obligations contained therein unless the Mortgage otherwise specifies. The covenants, liabilities and obligations of the Mortgagor shall be binding on the Mortgagor and the Mortgagor's Successors and assigns and may be enforced by the Mortgagee or by a successor or assignee of the Mortgagee. Where the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing the masculine gender shall include the feminine and neuter genders. Time shall be of the essence of the Mortgage. To the extent permitted by law, all provisions of the Mortgage shall have effect notwithstanding any statute to the contrary. The rights granted to the Mortgagee by the Mortgage shall be in addition to all other rights available to the Mortgagee by statute or other law. If any provision of the Mortgage is found by a Court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

Dated the 18th day of March, 2002

BANK OF MONTREAL
By:

Title: Vice-President,
Product and Marketing
Consumer Lending

DOCUMENT No 2297

D. Pidlisny
Donna A. Pidlisny
Assistant Secretary

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200209 Date

ONTARIO OPEN PREPAYMENT FIXED RATE CONVENTIONAL AND INSURED MORTGAGE
Land Registration Reform Act
SET OF STANDARD CHARGE TERMS

FILED BY BANK OF MONTREAL FILING NUMBER 200210

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided by section 9 of the Act.

1. TABLE OF CONTENTS

Page

1. TABLE OF CONTENTS 1
2. DEFINITIONS 2
3. OPERATION OF MORTGAGE 3
    - (a) Mortgage of Mortgaged Land and Assignment of Rents and Leases 3
    - (b) Additional Principal Advances Secured 3
    - (c) Continuation of Mortgage 4
    - (d) Mortgage Assignable by Mortgagee 4
    - (e) Discharge 4
    - (f) Foreclosure Right 4
4. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST 4
    - (a) Interest to Interest Adjustment Date 4
    - (b) Payments of Principal and Interest 4
    - (c) Interest After Default 4
    - (d) Application of Amounts Received by Mortgagee 4
5. OPEN PREPAYMENT PROVISIONS 5
6. EXPRESS COVENANTS BY MORTGAGOR 5
    - (a) Payment of Principal and Interest 5
    - (b) Observance and Performance of Provisions 5
    - (c) Taxes 5
    - (d) Good Title and Free From Encumbrances 6
    - (e) Payments by Mortgagee of Other Claims 7
    - (f) Insurance 7
    - (g) Further Assurances 8
    - (h) Liens 8
    - (i) Discharge of Part of Mortgaged Land 8
    - (j) Granting of Time, etc. 8
    - (k) Waste 8
    - (l) Alterations 9
    - (m) Compliance with Laws, Good Condition, Inspection and Repairs 9
    - (n) Advance of Principal 9
    - (o) Waiver 9
    - (p) Effect of Sale 9
    - (q) Extension of Time and Amendments 9
    - (r) Discharge or Assignment 9
    - (s) Other Security 10
    - (t) Fixtures 10
    - (u) Expenses 10
    - (v) Moneys Received 10
    - (w) Change in Spousal Status 10
    - (x) Environmental Inspection and Testing 11
7. MORE FREQUENT PAYMENT PROVISIONS 11
8. SALE, CONVEYANCE OR TRANSFER OF MORTGAGED LAND 11
9. AUTOMATIC RENEWAL AT MATURITY OF SIX MONTH TERMS, ONE YEAR TERMS AND TWO YEAR TERMS 11
10. AUTOMATIC RENEWAL AT MATURITY OF OTHER TERMS 12
11. MORTGAGE RATE PROTECTION PLAN 12
12. MORTGAGOR'S PORTABILITY OPTION 12
13. BLEND AND EXTEND OPTION 12
14. RATE BUYDOWN OPTION 13
15. DEFERRED PAYMENT OPTION 13
16. UNDERTAKING NOT TO SUE MORTGAGOR AFTER APPROVED SALE OF MORTGAGED LAND 13
17. DISCRETION OF THE MORTGAGEE WHETHER TO GRANT REQUESTS OR ENTER INTO AMENDMENT AGREEMENTS 13

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CLAUSES TYPES DE CHARGE
Filing No. 200210 Cote
Filing Date Mar. 20, 2002 Date de Dépôt
Page 1 of/de Twenty (20) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

18. PROVISIONS WHICH DO NOT APPLY IF THE MORTGAGED LAND IS NON-RESIDENTIAL MORTGAGED LAND 13
19. CONDOMINIUM PROVISIONS 14
20. DEFAULT 14
21. CERTAIN IMPLIED COVENANTS EXCLUDED 16
22. NATIONAL HOUSING ACT 16
23. MORTGAGE OF LEASEHOLD INTEREST 16
24. ASSIGNMENT OF LEASES AND RENTS 18
25. GUARANTEE 18
26. MANNER OF AMENDING THE MORTGAGE AND GRANTING REQUESTS 19
27. GOVERNING LAW 19
28. TITLES AND MARGINAL NOTES 19
29. MISCELLANEOUS 20

2. DEFINITIONS

In this set of standard charge terms and in the Mortgage:

(a) "Act" means the Land Registration Reform Act and any amendments thereto in effect at the time of execution and delivery of the Mortgage.

(b) "Actual Mortgage Rate" means the interest rate per annum calculated in accordance with the applicable interest calculation period, not in advance, all as set out in the Mortgage and applicable, as well after as before maturity, default, and judgment.

(c) "Debt" means all present and future indebtedness and liability owing by the Mortgagor to the Mortgagee pursuant to or in respect of the Mortgage including, without limitation, all principal, any additional principal amount or amounts advanced in accordance with subparagraph 3(b), interest, compound interest, Taxes and costs.

(d) "Default" is defined in paragraph 20.

(e) "Effective Date" means the date on which the amendments in the applicable mortgage amending agreement take effect.

(f) "Guarantor" means the person or persons, if any, executing the Mortgage (including any Schedule) or any guarantee as guarantor, guaranteeing to the Mortgagee payment of the Mortgagor's indebtedness to the Mortgagee pursuant to or in respect of the Mortgage.

(g) "Interest Adjustment Date" means the first day of the month preceding the month in which the first instalment of principal and interest is due, if such instalments are paid monthly; or the first day of the month in which the first instalment of principal and interest is due, if such instalments are paid more frequently than monthly.

(h) "Maturity Date" means the date on which the balance of the principal amount owing under the Mortgage is due and payable.

(i) "Mortgage" means the applicable mortgage or charge, as amended from time to time, in which this set of standard charge terms is included by reference therein to its filing number (whether or not any provisions of this set of standard charge terms are excluded from such mortgage or charge) and includes all Schedules thereto, as amended from time to time and, for greater certainty, includes the provisions of this set of standard charge terms (except for any such provisions excluded from such mortgage or charge).

(j) "Mortgaged Land" means the real property described in the Mortgage, all tenements, hereditaments and appurtenances with respect thereto and all estates and interests therein, and for greater certainty includes all buildings, plant, machinery, erections and improvements, fixed or otherwise, present or future, built, placed or put thereon including, without limitation, all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all other apparatus and equipment appurtenant thereto, and all other fixtures, accessions and accretions of any kind or nature.

(k) "Mortgagee" means Bank of Montreal and its successors and assigns.

(l) "Mortgagor" means the person or persons so identified in the Mortgage and his, her or their Successors and assigns, as the case may be.

(m) "Non-Residential Mortgaged Land" means Mortgaged Land which:

  (i) is vacant;

  (ii) consists of commercial or industrial land;

  (iii) has constructed thereon premises comprising seven or more dwelling units; or

  (iv) consists of a rental housing project as defined in the National Housing Act.

(n) "Other Claims" is defined in subparagraph 6(d) hereof.

(o) "Prior Mortgage" means a mortgage referred to in subparagraph 6(d) hereof.

(p) "Schedule" means a schedule to the Mortgage.

(q) "Successor" means an heir, executor, administrator or successor.

(r) "Taxes" means all taxes, rates and assessments, whether federal, provincial, municipal or otherwise, with respect to the Mortgaged Land.

(s) "Term of the Mortgage" means the period commencing on the Interest Adjustment Date and ending on the Maturity Date.

3. OPERATION OF MORTGAGE

Mortgage of Mortgaged Land and Assignment of Rents and Leases

(a) In consideration of the principal amount set out in the Mortgage paid to the Mortgagor, or of such portion thereof as may be advanced from time to time (the receipt and sufficiency of which are acknowledged by the Mortgagor), upon execution and delivery of the Mortgage, the Mortgagor mortgages and charges the Mortgaged Land to and in favour of the Mortgagee and the Mortgagor assigns to the Mortgagee all existing and future leases, tenancy agreements and other similar agreements of all or any part of the Mortgaged Land granted by the Mortgagor or any predecessor of the Mortgagor as landlord and all rents and other similar amounts now or hereafter paid or payable to the Mortgagor in respect of all or any part of the Mortgaged Land:

  (i) as security for payment to the Mortgagee when due of all Debt including, without limitation:

    A. the principal amount outstanding pursuant to the Mortgage from time to time;

    B. interest accruing on such principal amount at the Actual Mortgage Rate; and

    C. all other amounts payable pursuant to or secured by the Mortgage from time to time as determined by reference to the provisions of the Mortgage or otherwise determined in accordance with the law including, without limitation, compound interest payable by the Mortgagor pursuant to the provisions hereof and interest on any late payments,

  all calculated and payable as provided by the Mortgage; and

  (ii) as security for the observance and performance of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage.

Additional Principal Advances Secured

(b) The Mortgagee may, from time to time in the Mortgagee's sole discretion, lend additional principal amounts to the Mortgagor provided the principal amount at any time owing by the Mortgagor to the Mortgagee and secured by the Mortgage shall not exceed the principal amount set out in the Mortgage and provided further that the Mortgagor delivers to the Mortgagee a letter, agreement or instrument wherein the Mortgagor refers to such additional principal amount and the Mortgage or wherein the Mortgagor agrees that such principal advance is made pursuant to the Mortgage or agrees that such principal amount shall be secured by the Mortgage. Each such principal amount, all interest accrued thereon and all other amounts owing by the Mortgagor to the Mortgagee with respect thereto shall be included as Debt, the payment thereof by the Mortgagor to the Mortgagee shall be secured by the Mortgage and each provision of the Mortgage shall apply thereto. The foregoing shall apply whether or not the principal amount of the Mortgage is from time to time reduced and thereafter increased or paid in full and thereafter incurred again. Nothing herein shall obligate the Mortgagee to lend any principal amount.

Continuation of Mortgage (c) The Mortgage shall continue in full force and effect in accordance with its terms until the Mortgagee delivers a discharge of the Mortgage.

Mortgage Assignable by Mortgagee (d) For greater certainty, the Mortgage and the Debt are assignable by the Mortgagee, and payment of amounts secured by the Mortgage to the Mortgagee in circumstances wherein it is intended that the Mortgage be assigned and not discharged, shall not cause the Mortgage to cease to operate nor entitle the Mortgagor to a discharge of the Mortgage.

Discharge (e) The Mortgage is given upon the express condition that if the Mortgagor duly pays or causes to be paid to the Mortgagee the Debt in full without any deduction or abatement, as and when the same is due, and duly observes and performs all other obligations of the Mortgagor pursuant to or in respect of the Mortgage, and the Mortgagee has no obligation to lend any amount to the Mortgagor, then the Mortgagee shall, after receipt of the Mortgagor's written request therefor, deliver to the Mortgagor a discharge of the Mortgage.

Foreclosure Right (f) The right of foreclosure is hereby expressly given and reserved to and retained by the Mortgagee in the same manner and to the same extent as if the Mortgagor had transferred the Mortgaged Land to the Mortgagee by way of mortgage subject to a proviso for redemption.

4. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST

The principal amount of the Mortgage, interest thereon and all other amounts payable under the Mortgage shall be paid at the branch or banking unit of the Mortgagee with which the Mortgagor is dealing or which is designated by the Mortgagee in writing.

Interest to Interest Adjustment Date (a) The Mortgagor shall, on the Interest Adjustment Date, pay interest at the Actual Mortgage Rate on the principal amount of the Mortgage or such part thereof advanced by the Mortgagee to the Mortgagor from the date of advance until the Interest Adjustment Date, provided that, at the Mortgagee's request, the Mortgagor shall pay interest monthly on the first day of each month at the Actual Mortgage Rate on the principal amount or part thereof advanced by the Mortgagee to the Mortgagor from the date of advance until the Interest Adjustment Date and provided further that, at the Mortgagee's option, any accrued interest may be deducted from any principal advance

Payments of Principal and Interest (b) The Mortgagor shall pay to the Mortgagee the principal amount of the Mortgage and interest thereon at the Actual Mortgage Rate from and including the Interest Adjustment Date in equal instalments in the amount set out in the Mortgage, commencing on the first payment date set out in the Mortgage and ending on the last payment date set out in the Mortgage, and shall pay the balance, if any, of the principal amount, interest and other outstanding amounts secured by the Mortgage on the Maturity Date (unless such amounts are payable hereunder at an earlier date).

Interest After Default (c) In default of payment when due of any amount payable pursuant to the Mortgage whether on, before or after the Maturity Date or judgment, and until such amount is paid, the Mortgagor shall pay to the Mortgagee interest at the Actual Mortgage Rate on such amount and such interest shall be paid on the first day of each month. In the event any such amount unpaid and interest thereon as aforesaid, or any part thereof, is not paid within the current interest calculation period specified in the Mortgage and without in any way waiving any demand or requirement that such arrears and interest be paid, a rest shall be made as at the end of the interest calculation period and as at the end of each subsequent interest calculation period until all such arrears and all interest are paid. Compound interest at the Actual Mortgage Rate shall, after each rest, be payable on the aggregate amount of arrears and interest then owing including any compound interest then due, and shall be due on the first day of the month next following the end of such interest calculation period and thereafter on the first day of each month until paid, and so on from time to time until all such arrears, interest and compound interest are paid. All amounts payable under this provision, whether for principal, interest, compound interest or otherwise shall be secured by the Mortgage on the Mortgaged Land.

Application of Amounts Received by Mortgagee (d) All amounts paid by the Mortgagor to the Mortgagee (unless otherwise agreed in writing) shall, prior to default by the Mortgagor, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other amount owing by the Mortgagor to the Mortgagee. All amounts paid by the Mortgagor to the Mortgagee (or otherwise received by the Mortgagee) after default by the Mortgagor shall be applied in the manner determined by the Mortgagee in its sole discretion.

5. OPEN PREPAYMENT PROVISIONS

(a) The Mortgagor shall not be entitled, subject to subparagraph (b), to prepay any amount of principal under the Mortgage, except that, subject to subparagraphs (c) and (d):

(i) the Mortgagor shall be entitled, when not in default under the Mortgage, to prepay at any time or times, without notice and without payment of bonus, an amount or amounts of principal, provided that each amount of principal prepaid shall not be less than $100.00; and

(ii) the Mortgagor shall be entitled, when not in default under the Mortgage, by entering into a mortgage amending agreement with the Mortgagee in form and substance satisfactory to the Mortgagee:

A. to increase once in each calendar year the amount of the instalment of principal and interest payable under the Mortgage, provided that such increase does not exceed 20% of the amount of the instalment of principal and interest payable by the Mortgagor immediately prior to such increase; or

B. after any increase pursuant to subparagraph A. hereof, to decrease once in each calendar year (including the year in which such increase occurred) the amount of the instalment of principal and interest payable under the Mortgage, provided that the original amortization period of the Mortgage is not extended as a result of such reduction;

provided further that the rights referred to in subparagraphs (ii)A. and (ii)B. are not cumulative.

(b) If the Mortgagor is not a corporation, the Term of the Mortgage is longer than five years and the Mortgaged Land is Non-Residential Mortgaged Land, the Mortgagor shall be entitled to prepay any amount of principal after the fifth year of the Term of the Mortgage, provided the Mortgagor pays to the Mortgagee an additional amount equivalent to three months' interest at the Actual Mortgage Rate on the amount of such principal prepayment. For all purposes of the Mortgage, the date of the Mortgage shall be the Interest Adjustment Date and the Interest Adjustment Date shall be the date specified by the definition of "Interest Adjustment Date".

(c) Notwithstanding any other provision of the Mortgage, the Mortgagor shall not be entitled to prepay any amount of principal (except to the extent permitted by subparagraph (b)) or increase the amount of the instalments payable under the Mortgage if the Mortgaged Land is Non-Residential Mortgaged Land.

(d) In the event any prepayment is made, the payment dates and the amount of all remaining instalments shall continue unaffected by the prepayment so that the Mortgagor shall pay the instalments provided for in the Mortgage when due until all amounts owing under the Mortgage have been fully paid.

6. EXPRESS COVENANTS BY MORTGAGOR

The following covenants shall be deemed included as covenants of the Mortgagor, in every Mortgage in which this set of standard charge terms is referred to by its filing number, except to the extent that such covenants are expressly amended or excluded from the Mortgage by the provisions of the Mortgage, and the following covenants shall be construed and applied as covenants made by the Mortgagor for the Mortgagor and the Mortgagor's Successors and assigns to and in favour of the Mortgagee, its successors and assigns, to the same extent as if set out as such in the Mortgage executed and delivered by the Mortgagor.

Payment of Principal and Interest

(a) The Mortgagor shall pay to the Mortgagee all Debt and all other amounts secured by or payable under the Mortgage, as and when the same become due in lawful money of Canada, without deduction or set-off of any kind

Observance and Performance of Provisions

(b) The Mortgagor shall duly and punctually observe and perform all the provisions of the Mortgage which are to be observed and performed by the Mortgagor.

Taxes

(c) The Mortgagor shall promptly pay or cause to be paid all Taxes as they become due and, without limiting the foregoing:

(i) the Mortgagee may deduct from the final advance of the principal moneys an amount sufficient to pay the unpaid Taxes which have become or will become due and payable on or before the Interest Adjustment Date;

(ii) after the Interest Adjustment Date the Mortgagor shall pay to the Mortgagee in instalments on the dates on which instalments of principal and interest are payable pursuant to the Mortgage, sums sufficient to enable the Mortgagee to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;

(iii) where the period between the Interest Adjustment Date and the next following annual due date or first instalment due date for Taxes is less than one year, the Mortgagee may, at the Mortgagee's option, require the Mortgagor to pay to the Mortgagee in equal instalments, on each date on which an instalment of principal and interest is payable pursuant to the Mortgage, during such period and during the next succeeding twelve months' period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of the said twelve months' period, all Taxes which shall become due and payable during the said two periods and during the balance of the calendar year in which the said twelve months' period expires; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;

(iv) subject to subparagraph 6(c)(iii) hereof, the Mortgagor shall pay to the Mortgagee on each date on which an instalment of principal and interest is payable pursuant to Mortgage:

A. one-fifty-second of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on Friday of every week; or

B. one-twenty-sixth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on Friday of every second week; or

C. one-twenty-fourth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on the first and fifteenth days of every month; or

D. one-twelfth of the annual amount (as estimated by the Mortgagee) of the Taxes becoming due and payable during the next succeeding year after such instalment due date, if instalments of principal and interest are due on the first day of every month,

and the Mortgagor shall also pay to the Mortgagee on demand, the amount, if any, by which the actual Taxes exceed such estimated amount; and

(v) the Mortgagor shall pay to the Mortgagee on demand interest, at the Actual Mortgage Rate, on the debit balance, if any, of the Mortgagor's tax account outstanding after payment of Taxes by the Mortgagee, until such debit balance is fully repaid; and the payment of such interest shall be secured by the Mortgage.

The Mortgagee shall apply such payments to pay Taxes only so long as a Default has not occurred but nothing herein shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. If, before a sum or sums so paid to the Mortgagee shall have been so applied, there shall be a Default, the Mortgagee may apply such sum or sums in or towards payment of any part or parts of the Debt as the Mortgagee may determine. The Mortgagor shall transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith after receipt of same.

Good Title and Free From Encumbrances

(d) At the time of execution and delivery of the Mortgage, the Mortgage is subject only to any prior mortgage to which the Mortgagee has consented in writing (hereinafter individually or collectively, as the case may be, called the "Prior Mortgage"); the Mortgagor is the legal and beneficial owner of, and has a good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or, if paragraph 23 applies to the Mortgage, a good and absolute leasehold interest in the Mortgaged Land), without any encumbrance, lien, charge, mortgage, reservation, limitation, proviso or condition whatsoever except those contained in the original grant thereof from the Crown; and the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land to the Mortgagee in accordance with the provisions of the Mortgage; and the Mortgagor has not done, omitted or permitted anything whereby the Mortgaged Land or the Mortgagor's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected except for the Mortgage and any Prior Mortgage; and the Mortgagor agrees that, except for any Prior Mortgage, the Mortgagor shall keep the Mortgaged Land (or, if paragraph 23 applies to the Mortgage, the Mortgagor's leasehold interest therein) free and clear of and from all encumbrances, liens, charges and mortgages including, without limitation, any outstanding statutory liens or charges on the Mortgaged Land, arrears of Taxes, liens for arrears of condominium common element expenses or other condominium charges or expenses, executions, and rights (which encumbrances, liens, charges and mortgages including each Prior Mortgage, if any, are hereinafter collectively called "Other Claims").

Payments by Mortgagee of Other Claims

(e) The Mortgagee may pay the whole or any part of any Other Claims at any time having priority over the Mortgage. The amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate. The Mortgagee shall be entitled to the equities, rights and securities of the person or persons so paid and to obtain an assignment of any Other Claims so paid and of any right to payment, and the Mortgagee is authorized to retain any discharge of any Other Claims, without registration, until payment to the Mortgagee in full of such Other Claims.

Insurance

(f) The Mortgagor (or if the Mortgaged Land includes a condominium unit, the applicable condominium corporation) shall, at the Mortgagor's sole expense (or such condominium corporation's sole expense), forthwith insure and during the continuance of the Mortgage keep insured in favour of the Mortgagee against loss or damage by fire, lightning and tempest and such other risks and perils as the Mortgagee may require including risks and perils covered by an "all risks" policy with standard extended coverage, each and every building now or hereafter erected on the Mortgaged Land, both during erection and thereafter, and also crops and other personal property or produce of land which may be charged by the Mortgage, for the full replacement cost thereof, and in an amount sufficient to avoid the application of any co-insurance provisions. Furthermore, in the case of commercial, industrial and/or income producing properties, this covenant shall also include, without limitation, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Mortgagee. Without limiting the foregoing and in addition thereto:

(i) Prior to any advance of principal, the Mortgagor shall deliver to the Mortgagee a certified copy of each policy of insurance and receipts evidencing the payment of premiums for such insurance, and each such policy shall contain a standard mortgage clause approved by the Mortgagee, shall have provisions satisfactory to the Mortgagee and shall be issued by an insurer or insurers satisfactory to the Mortgagee; if the Mortgaged Land includes a condominium unit, the Mortgagor or the applicable condominium corporation shall assign, transfer and deliver to the Mortgagee certificates of insurance and insurance proceeds with respect to such unit; if any policy or any insurer at any time ceases to be satisfactory to the Mortgagee, the Mortgagor shall effect such new insurance as the Mortgagee may require.

(ii) Each policy shall contain an undertaking by the insurer to notify the Mortgagee in writing not less than fifteen days prior to any material change, cancellation, failure to renew or termination thereof.

(iii) At least fifteen days prior to the expiry of a policy or at least five days prior to the date fixed for cancellation of a policy should notice of cancellation be given, the Mortgagor shall deliver to the Mortgagee evidence of renewal or replacement therefor.

(iv) The loss under each policy shall be made payable to the Mortgagee as beneficiary and mortgagee as its interest may appear with preference in its favour over any claim of any other person or persons.

(v) In the event of failure on the part of the Mortgagor to fulfill any obligation of the Mortgagor under subparagraph 6(f) hereof, the Mortgagee shall be entitled (but shall not be obligated), unless such failure is rectified within two days after written notice by the Mortgagee to the Mortgagor of such failure, to effect such insurance as it deems proper and the Mortgagor shall promptly pay to the Mortgagee, on the then next date on which interest is payable by the Mortgagor, all premiums paid by the Mortgagee and such amount payable by the Mortgagor shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

(vi) If the Mortgaged Land includes a condominium unit, the Mortgagor shall (and shall cause the applicable condominium corporation to) comply with all provisions of the applicable policy, observe and perform all duties and obligations imposed by statute or by the applicable condominium declaration and by-laws and, without limitation, comply with all the insurance provisions of the declaration and the Mortgagor, as a member of such condominium corporation, shall seek full compliance by such condominium corporation with all such covenants.

(vii) In case of any loss or damage, the Mortgagor shall, at the Mortgagor's sole expense, immediately notify the Mortgagee of such loss or damage, fully comply with all provisions of the applicable policy, and furnish all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of all insurance moneys. Production of the Mortgage shall be sufficient authority for any insurer concerned (and such insurer is hereby directed by the Mortgagor) to pay any such loss to the Mortgagee. The Mortgagee shall have the right in its sole discretion, to the extent permitted by law, to apply the moneys in whole or in part in and to any one or more of the following:

A. in reduction of the Debt, including any principal amount outstanding under the Mortgage notwithstanding that such amount at such time may not be due and payable;

B. in payment of costs of rebuilding, reinstating, repair or reconstruction; or

C. in payment to subsequent encumbrancers entitled thereto, the Mortgagor or assigns thereof, as their interests may appear.

No damage to the insured property shall be repaired or any reconstruction effected without the prior written approval of the Mortgagee.

(viii) As additional and separate security for payment of the Debt and all other indebtedness secured by the Mortgage, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom.

Further Assurances

(g) The Mortgagor and each and every person having or claiming to have an estate, right, title, interest or trust of, in or to the Mortgaged Land shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances and assurances as may be required to fully and effectually carry out the true intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be added to the Debt.

Liens

(h) The Mortgagor shall, within twenty-one days after a request by the Mortgagee to do so, cause to be discharged all construction lien claims registered against the Mortgaged Land.

Discharge of Part of Mortgaged Land

(i) The Mortgagee may at its discretion, subject to the provisions of applicable law, from time to time release or discharge any part or parts of the Mortgaged Land, any other security or any guarantor or surety for the Debt either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing or discharging the Mortgagor, any other part of the Mortgaged Land, other security, or other guarantor or surety from the Mortgage or from any covenants contained or incorporated in the Mortgage and without being accountable to the Mortgagor for the value thereof or for any money other than that actually received by the Mortgagee, and every part or lot into which the Mortgaged Land is or may hereafter be divided shall continue to be mortgaged and charged with the whole amount of the Debt.

Granting of Time, etc.

(j) The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Mortgagor, any guarantor or surety, and all other persons and securities as the Mortgagee may see fit without prejudicing any of the rights of the Mortgagee under the Mortgage.

Waste

(k) The Mortgagor shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof and shall maintain the buildings, erections, fixtures and other improvements on the Mortgaged Land in good order and repair to the satisfaction of the Mortgagee.

Alterations

(l) The Mortgagor shall not, subject to subparagraph (m), make or permit to be made, any alterations or additions to the Mortgaged Land or any buildings thereon without the prior written consent of the Mortgagee and the Mortgagor will not allow the Mortgaged Land to remain unoccupied or unused.

Compliance with Laws, Good Condition, Inspection and Repairs

(m) The Mortgagor shall comply with all laws, by-laws and regulations affecting the Mortgaged Land, and with all orders, directives and requirements of any governmental authority or agency having jurisdiction and, at the Mortgagor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any change in use that may be required from time to time to effect such compliance. The Mortgagor shall maintain the Mortgaged Land and all buildings, fixtures and other improvements on the Mortgaged Land in good condition and repair. The Mortgagee or any agent thereof may from time to time enter upon the Mortgaged Land and inspect the same and make such repairs as the Mortgagee deems necessary without being deemed to be a mortgagee in possession. The Mortgagor shall, on demand by the Mortgagee, reimburse the Mortgagee for all reasonable costs of such inspection and repairs and such amounts owing by the Mortgagor shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

Advance of Principal

(n) If any portion of the principal amount to be advanced by the Mortgagee and secured by the Mortgage is not advanced at the date of registration of the Mortgage, the Mortgagee may advance the same in one or more sums at any future date or dates and the amount of each such advance shall be secured by the Mortgage and be repayable with interest at the Actual Mortgage Rate and for all purposes of priority shall be considered and treated as having been so secured and advanced at the date of registration of the Mortgage. For greater certainty, where such subsequent advances are part of the principal amount contemplated by the Mortgagee at the time the Mortgage is granted, the letter, agreement or instrument referred to in subparagraph 3(b) shall not be required in order to effect the foregoing. None of the preparation, execution, delivery or registration of the Mortgage, or the advance in part of the principal amount of the Mortgage shall obligate the Mortgagee to advance the whole of the principal amount or any unadvanced portion thereof but nevertheless the Mortgage shall take effect forthwith on the execution and delivery of the Mortgage by the Mortgagor.

Waiver

(o) No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times hereunder shall operate as a waiver by the Mortgagee of a subsequent default, breach or non-performance or adversely affect in any way the rights of the Mortgagee hereunder.

Effect of Sale

(p) No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall, subject to paragraph 16, in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor, any guarantor or surety, or any other person or persons liable for payment of the Debt.

Extension of Time and Amendments

(q) No extension of time given by the Mortgagee to the Mortgagor or anyone claiming under the Mortgagor or any other amendment to the Mortgage or any other dealing by the Mortgagee with the owner of the Mortgaged Land shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor or surety, or any other person or persons liable for payment of the Debt. The Term of the Mortgage may be extended, the terms of payment changed and any other amendments effected by a written agreement between the Mortgagor and the Mortgagee with or without an increased rate of interest. Such amendment agreement need not be registered, but shall bind the Mortgaged Land. The priority of the Mortgage as extended and amended vis à vis subsequent transferees and encumbrancers shall remain unchanged whether or not such amendment agreement is registered. Nothing herein shall confer on the Mortgagor any right to an extension or amendment of the Mortgage.

Discharge or Assignment

(r) The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any security held by the Mortgagee and shall have a reasonable time after payment of all Debt within which to prepare, execute and deliver such documents. Interest at the Actual Mortgage Rate shall continue to accrue to the date of receipt of such payment in full. All reasonable fees and expenses of the Mortgagee and all reasonable fees and disbursements of the Mortgagee's counsel in connection with the preparation, review, execution and delivery of such documents shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee as a condition precedent to the delivery of such documents.

Other Security (s) The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee for all or any part of the Debt, and the Mortgagee may, at its option, pursue its remedies thereunder, under the Mortgage or at law concurrently or successively. Any judgment or recovery under the Mortgage or under any other security held by the Mortgagee for the Debt shall not affect the right of the Mortgagee to realize upon the Mortgage or any other such security.

Fixtures (t) For greater certainty, all erections and improvements fixed or otherwise now on or hereafter put on the Mortgaged Land, including without limiting the generality of the foregoing, all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings and all other apparatus and equipment appurtenant thereto and all accessions and accretions of any kind or nature are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Mortgaged Land.

Expenses (u) The Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, an amount equivalent to all expenses paid or incurred by the Mortgagee in respect of the Mortgage or the Mortgaged Land including, without limitation:

(i) solicitor's, inspector's, valuator's and surveyor's fees and expenses (including all such fees and expenses incurred in valuing the Mortgaged Land, preparing and registering the Mortgage, investigating the Mortgaged Land or title thereto, and making or maintaining the Mortgage as a first mortgage and charge of the Mortgaged Land);

(ii) insurance premiums, Taxes, and amounts paid in respect of any Prior Mortgage, Other Claims, liens, charges, encumbrances or claims charged or to be charged against the Mortgaged Land;

(iii) costs of maintaining, repairing, restoring or completing the Mortgaged Land;

(iv) costs of inspecting, leasing, managing or improving the Mortgaged Land, including the price of any goods of any sort or description supplied to be used on the Mortgaged Land; and

(v) costs of exercising or enforcing or attempting to exercise or enforce any right, power, or remedy pursuant to the Mortgage or otherwise including all legal costs, on a solicitor and his or her own client scale, and any costs of consultants or other advisers to the Mortgagee in connection with such enforcement,

whether such amounts are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise and whether or not any principal amount is advanced. All such amounts shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

Moneys Received (v) The Mortgagee shall not be accountable for any amounts except those actually received by the Mortgagee.

Change in Spousal Status (w) After any change or event affecting any of the following, namely,

(i) the spousal status of the Mortgagor;

(ii) the qualification of the Mortgaged Land as a matrimonial home; or

(iii) the ownership of the Mortgaged Land,

the Mortgagor will forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Mortgaged Land and of any spouse who is not an owner but who has a right to possess the Mortgaged Land. In furtherance of such intention, the Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subparagraphs (i), (ii) and (iii) of this provision as the Mortgagee may from time to time request.

Environmental Inspection and Testing

(x) The Mortgagee, agent of the Mortgagee, or agent of the applicable mortgage insurer may, at any time, before and after Default, and for any purpose deemed necessary by it, enter upon the Mortgaged Land to inspect the Mortgaged Land. Without in any way limiting the generality of the foregoing, the Mortgagee or the applicable mortgage insurer (or their respective agents) may enter upon the Mortgaged Land to conduct any environmental testing, site assessment, investigation or study deemed necessary by it (or them) and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Actual Mortgage Rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the Mortgaged Land. The exercise of any of the powers herein shall not deem the Mortgagee, the mortgage insurer or their respective agents to be in possession, management or control of the Mortgaged Land.

7. MORE FREQUENT PAYMENT PROVISIONS

If the Mortgage provides for the payment of instalments of principal and interest more frequently than monthly, the Mortgagor shall make all instalment payments of principal and interest and pay Taxes and life insurance premiums, if applicable, in accordance with the provisions of the Mortgage and the following provisions shall apply:

(a) Despite anything in the Mortgage to the contrary, in the event there occurs a Default, the Mortgagor shall pay to the Mortgagee all arrears then outstanding and shall, at the option of the Mortgagee, pay to the Mortgagee, principal, interest and Taxes in monthly instalments; the amount of such monthly instalments and the terms of repayment shall be determined by the Mortgagee provided that the original amortization period of the Mortgage is not extended as a result of the Mortgagor's making monthly payments of principal, interest and Taxes; provided further that nothing herein contained shall prejudice the Mortgagee's rights pursuant to the provisions contained in or incorporated into the Mortgage which require payment, at the Mortgagee's option, of all Debt, if a Default occurs.

(b) The Mortgagor shall maintain with the Mortgagee or another financial institution satisfactory to the Mortgagee, an account of a type which is satisfactory to the Mortgagee. The Mortgagor shall authorize the Mortgagee to debit such account automatically by an amount equivalent to the amount of each instalment of principal, interest, Taxes and life insurance premiums (if applicable) payable, when each such instalment is due. If the account is with another financial institution, the Mortgagor shall cause such other financial institution to remit such amount to the Mortgagee when each instalment is due. The Mortgagor shall, at the Mortgagee's request, execute such authorization in form and substance satisfactory to the Mortgagee.

(c) The Mortgagor shall ensure that there are, at all times, sufficient funds deposited to the account referred to in subparagraph 7(b) hereof to pay each instalment when due. Failure by the Mortgagor to comply with the foregoing, cancellation by the Mortgagor of the authorization referred to in subparagraph 7(b) hereof or termination of such account shall constitute a Default.

8. SALE, CONVEYANCE OR TRANSFER OF MORTGAGED LAND

In the event the Mortgagor sells, conveys, transfers or enters into an agreement to sell, convey or transfer the Mortgaged Land to a purchaser or a transferee thereof who is not approved by the Mortgagee in writing, the Debt shall, at the Mortgagee's option, become forthwith due and payable; provided that the Mortgagee shall not unreasonably withhold such approval.

9. AUTOMATIC RENEWAL AT MATURITY OF SIX MONTH TERMS, ONE YEAR TERMS AND TWO YEAR TERMS

If at any time the Term of the Mortgage (or any subsequent term of the Mortgage) is six months, one year or two years, the Mortgagor shall be entitled at maturity, provided a Default has not then occurred, to automatic further six month, one year or two year term extensions respectively without paying a renewal fee. Prior to the end of each six month, one year or two year term, the Mortgagee will provide the Mortgagor with a notice offering to extend the then current term of the Mortgage for a further six month, one year or two year term, provided the Mortgagor pays interest at the amended rate and the amended amount of the mortgage payments to the new maturity date, all as specified by the notice. If the Mortgagee does not receive from the Mortgagor before the then existing maturity date written advice that the Mortgagor does not accept such offer, the Mortgagor shall be deemed to have accepted the Mortgagee's offer. The Mortgagor's failure to respond to or receive such notice shall not prevent the interest rate from changing, on the first day of the extended term, to the rate specified by the notice, or otherwise affect the foregoing. The Mortgagee may terminate the foregoing automatic renewal program on six months' written notice to the Mortgagor.

10. AUTOMATIC RENEWAL AT MATURITY OF OTHER TERMS

If at any time:

(a) the Term of the Mortgage (or any subsequent term of the Mortgage) is not six months, one year or two years; and

(b) the Mortgagor does not pay all Debt to the Mortgagee at the end of such term; and

(c) the Mortgagor and the Mortgagee do not, prior to the end of such term, amend the Mortgage to extend the term further,

the Mortgage shall, at the Mortgagee's option, without further action by the Mortgagee, the Mortgagor or any other person, be amended as at the last day of such term, so that the term is extended for a further six months, the interest rate payable by the Mortgagor is a fixed rate equivalent to the fixed rate then charged by the Mortgagee for open prepayment residential first mortgage loans made by the Mortgagee in Canada with terms of six months commencing on such date, the instalments of principal and interest are payable with the same frequency after such amendment as before but in an amended amount of which the Mortgagee will advise the Mortgagor, and the Mortgagor may, when not in default, prepay principal in minimum amounts of $100 at any time after such amendment without notice or bonus.

11. MORTGAGE RATE PROTECTION PLAN

The Mortgagor shall be entitled at any time when not in default under the Mortgage, to ask for an amendment to the Mortgage. If the Mortgagee agrees to amend the Mortgage, such amendment shall be in accordance with a mortgage amending agreement in form and substance satisfactory to the Mortgagee, which shall stipulate, among other things, the Effective Date.

12. MORTGAGOR'S PORTABILITY OPTION

At any time prior to the Maturity Date:

(a) the Mortgagor shall be entitled to request from the Mortgagee a new loan in any amount, which matures on the Maturity Date and which bears interest at a new rate based on:

  (i) the fixed interest rate specified by the Mortgage, on an amount up to and including the principal amount of the Mortgage outstanding on the date the new loan is advanced; and

  (ii) the interest rate determined by the Mortgagee, on the amount of such new loan which exceeds the amount referred to in subparagraph (i),

  repayment of such new loan to be secured by a first mortgage of the Mortgaged Land or, if the Mortgaged Land is sold and new property purchased by the Mortgagor, by a first mortgage of such new property; or

(b) any person to whom the Mortgagor sells the Mortgaged Land shall be entitled (with the prior written consent of the Mortgagor) to request from the Mortgagee a new loan which matures on the Maturity Date and which bears interest at the new rate referred to in subparagraph (a), repayment of such new loan to be secured by a first mortgage of the Mortgaged Land,

provided that only one of the Mortgagor and the person to whom the Mortgagor sells the Mortgaged Land shall be entitled to make such request, and provided the approval of any request and the conditions of any such approval shall be entirely at the discretion of the Mortgagee.

13. BLEND AND EXTEND OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee:

(a) to extend the Term of the Mortgage to a term requested by the Mortgagor and satisfactory to the Mortgagee at an amended fixed interest rate determined by the Mortgagee provided that the amended mortgage shall contain limited prepayment provisions satisfactory to the Mortgagee; or

(b) to lend an additional principal amount to the Mortgagor pursuant to a new mortgage of the Mortgaged Land to be granted by the Mortgagor to the Mortgagee, in form and substance and with priority satisfactory to the Mortgagee, with a term longer than the Term of the Mortgage at a fixed interest rate determined by the Mortgagee provided that the new mortgage contains limited prepayment provisions satisfactory to the Mortgagee.

The amended or new fixed interest rate shall be determined by the Mortgagee, in the Mortgagee's sole discretion, based on the existing interest rate in respect of the existing Term of the Mortgage and the Mortgagee's then current interest rate in respect of the amended term or new term requested by the Mortgagor. The approval of any such request and the conditions of any such approval shall be entirely at the discretion of the Mortgagee.

14. RATE BUYDOWN OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee to amend the Mortgage to reduce the interest rate applicable to the Mortgage by not more than 3% per annum if the Term of the Mortgage is three years or longer, or by not more than 2% per annum if the Term of the Mortgage is shorter than three years, provided the Mortgagor pays to the Mortgagee an additional amount determined by the Mortgagee to compensate the Mortgagee for all loss of revenue suffered by the Mortgagee as a result of such reduced interest rate.

15. DEFERRED PAYMENT OPTION

The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to request the Mortgagee to permit the Mortgagor to defer payment of one or more consecutive instalments of principal and interest pursuant to the Mortgage for any reason satisfactory to the Mortgagee. If the Mortgagee grants such request, the Mortgagor shall pay interest on the amount of any such deferred instalment at the Actual Mortgage Rate, including interest on unpaid interest, until such deferred amount is fully paid. The Mortgagor shall be entitled, at any time when not in default under the Mortgage, to prepay such deferred amount in whole or in part, without payment of any bonus. Such right is in addition to any other applicable voluntary prepayment right set out in the Mortgage.

16. UNDERTAKING NOT TO SUE MORTGAGOR AFTER APPROVED SALE OF MORTGAGED LAND

The Mortgagor shall be entitled, when not in default under the Mortgage, upon the sale of the Mortgaged Land by the Mortgagor to a purchaser who is satisfactory to the Mortgagee (in the Mortgagee's sole discretion), to obtain from the Mortgagee an undertaking by the Mortgagee not to sue the Mortgagor pursuant to the Mortgage if the purchaser defaults or the purchaser's assigns default pursuant to the Mortgage after the completion of the sale of the Mortgaged Land to the purchaser. The purchaser shall be deemed not to be satisfactory to the Mortgagee unless and until the Mortgagee delivers such undertaking to the Mortgagor in writing.

17. DISCRETION OF THE MORTGAGEE WHETHER TO GRANT REQUESTS OR ENTER INTO AMENDMENT AGREEMENTS

Despite any other provision of the Mortgage, the Mortgagee shall have no obligation to grant any request of the Mortgagor referred to in paragraphs 11, 12, 13, 14, 15 or 16 hereof. The Mortgagee shall be deemed not to have granted such request unless the Mortgagee delivers to the Mortgagor a written agreement satisfactory to the Mortgagee agreeing to such request or amending the Mortgage to reflect such request or unless such agreement is made in accordance with paragraph 26. Whenever the Mortgage provides for an amendment agreement, such amendment agreement shall be in form and substance satisfactory to the Mortgagee, shall not, subject to paragraph 26, be effective unless signed by the Mortgagor, the spouse of the Mortgagor, if applicable, and any Guarantor, and shall specify the date on which such amendment becomes effective. If the amendment agreement provides for the payment of an amendment fee, the Mortgagor shall pay such fee to the Mortgagee, in an amount satisfactory to the Mortgagee, at or before the time such amendment is effective.

18. PROVISIONS WHICH DO NOT APPLY IF THE MORTGAGED LAND IS NON-RESIDENTIAL MORTGAGED LAND

Despite any other provision of the Mortgage, paragraphs 7, 9, 10, 11, 12, 13, 14, 15 and 16 hereof shall not apply to the Mortgage or the Mortgaged Land if the Mortgaged Land is Non-Residential Mortgaged Land.

19. CONDOMINIUM PROVISIONS

If the Mortgaged Land is a condominium unit or includes a condominium unit, the following provisions shall apply:

(a) the Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, the Condominium Act, all amendments thereto, all legislation passed in substitution therefor, and the declaration, by-laws and rules, as amended from time to time, of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium unit charged by the Mortgage;

(b) the Mortgagor shall pay promptly when due any and all unpaid common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof;

(c) upon Default herein and notwithstanding any other right or action of such condominium corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessments, levies, instalments, payments or any other amounts due to the Mortgagee or arising pursuant to this provision; and

(d) the Mortgagor hereby authorizes the Mortgagee to exercise the right of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or arising under the Condominium Act, the declaration or the by-laws of the condominium corporation, provided that:

  (i) in any case where the Mortgagee is entitled under the Condominium Act to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;

  (ii) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and

  (iii) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

20. DEFAULT

Despite any other provision of the Mortgage, upon the occurrence of a default in payment of any principal amount, interest or other amount payable pursuant to or in respect of the Mortgage, or upon the occurrence of a default by the Mortgagor pursuant to any provision of the Mortgage or any provision of a Prior Mortgage, or upon discovery by the Mortgagee that any covenant or representation contained in the Mortgage or in any loan or mortgage application made by the Mortgagor is breached or untrue, or upon the Mortgagor's permitting any buildings forming part of the Mortgaged Land to remain unfinished without any work being done thereon for ten days, or upon the expropriation of all or any part of the Mortgaged Land, or upon waste being committed or permitted on the Mortgaged Land (each of which events is referred to as a "Default"), all Debt shall, at the option of the Mortgagee, forthwith become due and payable, the Mortgagor shall forthwith pay all Debt to the Mortgagee, all the Mortgagee's rights and remedies pursuant to the Mortgage or otherwise available at law shall become exercisable and, without limitation to the foregoing, the following shall apply:

(a) The Mortgagee may, at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any obligation of the Mortgagor in respect of the Mortgaged Land or the Mortgage.

(b) The Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon and take possession of the Mortgaged Land, the Mortgagee shall have quiet possession of the Mortgaged Land free of all encumbrances, and the Mortgagee may, after giving any notices required by law, make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements forming part of the Mortgaged Land, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the Mortgaged Land as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for any of such purposes, shall be forthwith payable to the Mortgagee, and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate.

(c) After any Default has continued for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice sell the Mortgaged Land or any part or parts thereof.

(d) The following provisions shall apply, where applicable, with respect to the lease or sale of the Mortgaged Land by the Mortgagee:

- (i) notice of sale shall be given to such persons and in such manner and form as required by law; provided that in the event that the giving of such notice of sale shall not be required by law or to the extent that any notice requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied, or at the option of the Mortgagee, by mailing it by registered mail addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;
- (ii) such notice of sale shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability;
- (iii) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and on such terms as to credit and otherwise and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise as the Mortgagee in its discretion shall deem proper;
- (iv) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until such moneys are actually received by the Mortgagee;
- (v) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;
- (vi) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees or any severable part of the Mortgaged Land and the purchaser shall have all necessary access for severing, cutting and removal;
- (vii) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety, and no lack of default, lack of notice or failure to comply with any requirement, and no irregularity or impropriety of any kind shall invalidate any sale or lease by the Mortgagee;
- (viii) the Mortgagee may sell or lease without entering into actual possession of the Mortgaged Land but when it wishes to take possession it may break locks and bolts and while in possession shall only be accountable for moneys received by it;
- (ix) subject to compliance with the Planning Act, and the Condominium Act if applicable, as each may be amended from time to time, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any portion of the Debt, leaving the balance of the Debt secured by the Mortgage on the remainder of the Mortgaged Land, or the Mortgagee may take proceedings to sell and may sell the Mortgaged Land for part of any sums owing or in arrears subject to the balance of said sums not yet due at the time of the said sale;
- (x) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under the Planning Act and to do all things and execute all documents to effectually complete any such sale or lease;
- (xi) the Mortgagee may lease or take sale proceedings notwithstanding that other proceedings have been taken or are then pending;
- (xii) the proceeds of any sale or lease shall be applied firstly in payment of any costs (including legal fees on a solicitor and his or her own client basis), expenses, commissions and fees which may be incurred in taking, recovering or keeping

possession of the Mortgaged Land or in making sales, leases and conveyances as aforesaid or by reason of non-payment or procuring payment of any amounts owing under the Mortgage (including sums which the Mortgagee has paid for Taxes, insurance, repairs, maintenance, common expenses and other amounts added thereto or payable by the Mortgagor to the condominium corporation if the Mortgaged Land is or includes a condominium unit); and thereafter to reduce the Debt in the manner determined by the Mortgagee and, for greater certainty, the Mortgagor shall continue to be liable for and shall pay to the Mortgagee all Debt which then remains unpaid;

(xiii) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by its wilful neglect or default; and

(xiv) no sale or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the Debt.

Despite the foregoing power of sale, the Mortgagee shall be entitled to its right of foreclosure of the right of redemption of the Mortgagor as fully as if the power of sale were not contained herein.

(e) The Mortgagee may forthwith take such proceedings to realize on its security created by the Mortgage by foreclosing against the Mortgaged Land or by any other action or act to which it is entitled by law.

(f) The Mortgagee may distrain for payment of amounts owing under the Mortgage upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover the same by way of rent reserved as in the case of demise of the Mortgaged Land and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

(g) The taking of a judgment or judgments on any of the covenants herein or in the Mortgage contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest under the Mortgage at the Actual Mortgage Rate and the said judgment may provide at the option of the Mortgagee that interest thereunder shall be computed at the Actual Mortgage Rate until the said judgment shall have been fully paid and satisfied.

21. CERTAIN IMPLIED COVENANTS EXCLUDED

The covenants deemed by subsection 7(1) of the Act to be included in the Mortgage are expressly excluded from the Mortgage.

22. NATIONAL HOUSING ACT

If the Mortgage is insured by Canada Mortgage and Housing Corporation against default:

(a) the Mortgage is made pursuant to the National Housing Act;

(b) if there is any conflict between any provision of the Mortgage and any requirement of the National Housing Act or the National Housing Loan Regulations, such latter requirement shall govern; and

(c) all requirements of the National Housing Act and the National Housing Loan Regulations are hereby incorporated herein.

23. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a lease referred to in the Mortgage, the following provisions shall apply:

(a) The Mortgagor represents and warrants the Mortgagee as follows:

(i) The lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage.

(ii) The Mortgagor now has good right, full power and lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

(b) The Mortgagor agrees with the Mortgagee as follows:

(i) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Claims and if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. Upon receipt by the Mortgagee from the landlord, any prior encumbrancer, any claimant of any of the Other Claims or any other person of any written notice of default, the Mortgagee may rely thereon and take any action to cure such default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand, and shall, until paid to the Mortgagee, be included in the Debt, be secured by the Mortgage and bear interest at the Actual Mortgage Rate from the date of each such payment.

(ii) If the Mortgage is outstanding at the expiration of the term of the lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew the lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal, the Mortgagee may effect any such renewal in the name of the Mortgagor or otherwise, and every such new or renewed lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.

(iii) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the residue of the term granted by the lease in trust for the Mortgagee, and shall assign and dispose thereof as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's substitute to be the Mortgagor's attorney for and on behalf of the Mortgagor to assign the lease and convey the leasehold interest in the Mortgaged Land and the said reversion as the Mortgagee shall at any time direct, and in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the lease and convey the Mortgager's leasehold interest in the Mortgaged Land and the reversion to a purchaser. This appointment is coupled with an interest and shall not be revoked by the Mortgagor. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the lease under the above declaration of trust and appoint a new trustee or trustees.

(iv) The Mortgagor shall not surrender, terminate, amend or modify the lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the lease or under any prior encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.

(v) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

(c) Despite any other provision of the Mortgage, the last day of the term of the lease or any renewal thereof or any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

(d) Despite subparagraph 3(a) hereof and any other provision of the Mortgage, the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the lease (including, without limitation, any right of renewal and any right to purchase the Mortgaged Land or any part thereof as set out in the lease), the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the lease.

(e) Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the lease. Each reference to the lease in the Mortgage shall include the lease, as amended or replaced from time to time.

24. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

(a) The assignment of each of the foregoing and of each of the rents and other amounts by the Mortgagor to the Mortgagee pursuant to subparagraph 3(a) hereof shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, tenancy agreements or other similar agreements or the rents or other amounts paid or payable thereunder.

(b) Until a Default occurs the Mortgagor may collect, retain and apply all rents and other similar amounts and deal with all leases, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

(c) Nothing herein shall obligate the Mortgagee to assume or perform any obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

(d) The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's Successors or assigns, any or all of the foregoing.

(e) The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce the Debt.

(f) Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

25. GUARANTEE

The following shall apply to each Guarantor:

(a) The Guarantor unconditionally guarantees to the Mortgagee payment when due of all Debt and the performance by the Mortgagor of each of the covenants, conditions, obligations and provisions to be observed or performed by the Mortgagor pursuant to the Mortgage. The guarantee is given by the Guarantor as principal debtor and not as surety and the Guarantor shall be liable to the Mortgagee in the same manner and to the same extent as if the Guarantor had executed the Mortgage as Mortgagor. The guarantee shall not be, nor be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment or reassignment of the Mortgage at any time and from time to time, by reason of any amendment or modification to the Mortgage, or by reason of the release or discharge of the Mortgagor in any creditor, receivership, bankruptcy, insolvency or other proceedings. In the event of any Default, the Guarantor waives any right to require the Mortgagee to proceed against the Mortgagor or to seek or exhaust the Mortgagee's rights, remedies or recourse against the Mortgagor, the Mortgaged Land, or any other person or security before proceeding against the Guarantor or obtaining payment from the Guarantor of all Debt. The Guarantor expressly waives the benefits of discussion and division and notice of Default. The Guarantor acknowledges that the Mortgage would not have been entered into by the Mortgagee without the guarantee. If the Mortgagor is a corporation, no change thereto or therein including any amalgamation with any other corporation, shall in any way affect the liability of the Guarantor either with respect to any part of the mortgage transaction occurring before or after any such change and the Mortgagee shall not be concerned to see or inquire into the powers of the Mortgagor or any of its directors or other agents, acting or purporting to act on its behalf and any amount borrowed or obtained from the Mortgagee in professed exercise of such powers, shall be deemed to form part of the Debt hereby guaranteed, notwithstanding that such borrowing or obtaining of advances shall be in excess of the powers of such corporate Mortgagor or of its directors or other agents as aforesaid, or be in any way irregular, defective or informal. The Mortgagee, without exonerating the Guarantor in whole or in part may, without the Guarantor's consent, grant time, renewals, extensions, indulgences, releases and discharges to, may take securities (including the Mortgage) from, and may give the same and any and all existing securities up to, may abstain from taking securities from or perfecting securities (including the Mortgage) of, may accept compositions from, or may otherwise deal with the Mortgagor and all other persons (including any other guarantor or Guarantor) and securities, as the Mortgagee may see fit, and all dividends, compositions and amounts received by the Mortgagee from the Mortgagor or from any other person or estate capable of being applied by the Mortgagee in reduction of the Debt hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Mortgagee shall be entitled to prove against the estate of the Mortgagor upon any insolvency or winding up in respect of the whole of the Debt, and the Guarantor shall have no right to be subrogated to the Mortgagee in respect of any such proof or otherwise until the Mortgagee shall have received from such estate or the Guarantor payment in full of all amounts then owing to the Mortgagee. The Guarantor acknowledges that the guarantee has been delivered free of any conditions and that no representations or warranties have been made to the Guarantor affecting the Guarantor's liability under the guarantee or otherwise. The guarantee is in addition to and not in substitution for any other guarantee or guarantees now or hereafter held by the Mortgagee. The guarantee shall remain in full force and effect until all Debt has been indefeasibly paid in full and until the Mortgagee has delivered a written release to the Guarantor. The Guarantor shall, on demand by the Mortgagee, reimburse the Mortgagee for all costs incurred by the Mortgagee in enforcing the guarantee and the other provisions of the Mortgage.

(b) Whenever the guarantee is given by more than one person, all covenants, liabilities and obligations of the Guarantor shall be joint and several. The obligations of the Guarantor shall be binding on the Guarantor and the Guarantor's Successors and may be enforced by the Mortgagee or by a successor or assignee of the Mortgagee, whether or not any notice is given of such assignment.

26. MANNER OF AMENDING THE MORTGAGE AND GRANTING REQUESTS

If the Mortgagor wishes to make amendments to the Mortgage and such amendments are satisfactory to the Mortgagee, then the Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, hereby authorize the Mortgagee to act and rely on oral agreements, facsimile signed agreements, and electronically transmitted agreements among the Mortgagor, the Mortgagee, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, and all such persons shall be bound by such amendment agreements. The Mortgagee may also grant the Mortgagor's requests orally, by facsimile or electronically. The Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, hereby authorize the Mortgagee to record such oral agreements and the discussions with respect to such amendments or requests and to use such recordings as evidence of such oral agreements. The Mortgagor, the Guarantor, if applicable, and the spouse of the Mortgagor, if applicable, shall execute and deliver to the Mortgagee, promptly after a request by the Mortgagee, a written agreement evidencing any such oral agreement or electronically transmitted agreement. The Mortgagee shall not be obligated to act or rely on any oral agreement or electronically transmitted agreement and may terminate any oral agreement or electronically transmitted agreement if for any reason the Mortgagee believes that the agreement was not made with the appropriate persons or if the agreement is not accurate or not understood. The Mortgagee may take steps to confirm the identity of such other persons prior to making any amendment agreement or granting any request. The Mortgagee may terminate, at any time in the Mortgagee's discretion, the right of the Mortgagor to enter into oral agreements or electronically transmitted agreements with the Mortgagee.

27. GOVERNING LAW

This set of standard charge terms and the Mortgage shall be governed by the laws of Ontario.

28. TITLES AND MARGINAL NOTES

Titles and marginal notes in this set of standard charge terms and in any Schedule or Schedules to the Mortgage are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of the Mortgage, this set of standard charge terms or any provision of either.

29. MISCELLANEOUS

Whenever a Mortgage is made or assumed by more than one person, all such persons shall be jointly and severally liable for all covenants, liabilities and obligations contained therein unless the Mortgage otherwise specifies. The covenants, liabilities and obligations of the Mortgagor shall be binding on the Mortgagor and the Mortgagor's Successors and assigns and may be enforced by the Mortgagee or by a successor or assignee of the Mortgagee. Where the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing the masculine gender shall include the feminine and neuter genders. Time shall be of the essence of the Mortgage. To the extent permitted by law, all provisions of the Mortgage shall have effect notwithstanding any statute to the contrary. The rights granted to the Mortgagee by the Mortgage shall be in addition to all other rights available to the Mortgagee by statute or other law. If any provision of the Mortgage is found by a Court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

Dated the 18th day of March, 2002

BANK OF MONTREAL
By:

Title: Vice-President,
Product and Marketing
Consumer Lending

No. 2306

D. Pidlisny
Donna A. Pidlisny
Assistant Secretary

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200210

Manulife Financial

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200211 Cote
Filing Date Mar. 26, 2002 Date de Dépôt
Page 1 of/de Nineteen (19) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

The Manufacturers Life Insurance Company

Ontario Conventional Commercial Mortgage

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by The Manufacturers Life Insurance Company

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

In the mortgage, **you** are each person by whom security is given under the mortgage (and your and yours refer to that person). **We** are each person to whom security is given under the mortgage (and us, our and ours refer to that person). The **mortgage** is the mortgage or charge in which these terms are included, and includes these terms. Other expressions have the meanings set out at the end of these terms.

Contents

1 Preliminary matters
2 Payment obligations
3 Our security
4 Condominium and leasehold property
5 Your other responsibilities
6 Enforcing security
7 Other terms
8 Meaning of terms used

1 Preliminary matters.

1.1 **Your verifying your knowledge.** A promise by you to us in the mortgage may be limited to what you know. Where this is so, you promise that you have done what a reasonable person would do to verify the promise.

1.2 **Information you have supplied.** You promise that, as far as you know, all information that you have supplied to us for the mortgage is substantially accurate and complete.

1.3 **Your legal obligations.** You promise that you are not a party to a legal proceeding (except one that you have informed us about in writing), and are not in serious default under your legal obligations.

1.4 **Your documents.** You promise that you have given us a copy of all of the following documents relating to the property that are in your possession or control. Documents affecting the title (except those available in the land registration office). And surveys, tests and reports.

1.5 **Work on the real estate.** You promise that you are not giving the mortgage to secure the financing of work on the real estate. This statement is subject to anything as to which you have informed us in writing.

1.6 **Your obligations under the mortgage.** You promise that you are complying with all of your obligations under the mortgage when it is given.

1.7 **Condition of the property.** You promise that, as far as you know, the property has no defect that cannot be found by a reasonable inspection.

1.8 **Legal requirements.** You promise that, as far as you know, the property and its use comply substantially with every law. If we are making a loan for work on the real estate, you promise that, as far as you know, the law permits the work and its use.

1.9 **Environmental**. You promise that, as far as you know, nothing that is part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being. This does not apply to anything about which you have fully informed us in writing.

1.10 **Specific environmental problems.** You promise that you have not done any of the following things or permitted anyone else to do them, and that, as far as you know, no one else has done them. This promise does not limit our rights under the previous section. The promise does not apply to anything about which you have fully informed us in writing. The things are as follows. Insulating a building on the real estate with urea-formaldehyde foam. Using asbestos as an insulating or building material for a building on the real estate. Placing an underground storage tank in the real estate. Burying a pollutant in the real estate. Having polychlorinated biphenyls (PCBs) on the real estate. Disposing of garbage or industrial waste on or in the real estate. Spilling a pollutant on the real estate. Allowing petroleum products to leak into the real estate. Allowing a pollutant to enter the drains of the real estate. Keeping a pollutant on the real estate other than a reasonable quantity that is to be used on the real estate in the normal course within a reasonable time. Or putting radioactive material in or on the real estate.

1.11 **Residence.** You promise that the following are resident in Canada for tax purposes: every owner (as defined in Part 8) of an interest that is subject to our security and, where the interest is subject to a bare trust, every beneficial owner.

2 Payment obligations.

2.1 **What obligations the mortgage secures.** The mortgage secures all obligations to pay money under its terms. It secures all obligations that are described in its terms as secured by it. Where, as a result of the mortgage, the law requires you to make a payment, it secures your obligation to make the payment. And it secures compensation that is or may become payable because of a breach of your obligations under the mortgage or under any other agreement that relates to mortgage.

2.2 **Your obligations under a term loan.** Where the mortgage sets out payment terms for a term loan, the terms set out below apply. The details referred to are those in the mortgage.

2.2.1 **Interest to interest adjustment date.** You must pay interest, on as much of the principal amount as is owing, at the interest rate, calculated for the interest calculation period. Until the interest adjustment date, you must, on the same days as those for regular payments, pay the interest for the period to the day. On the interest adjustment date you must pay the interest to that date.

2.2.2 **Regular payments.** You must pay the amount of each payment on the first payment date, on every payment date after that until the last payment date, and on the last payment date. We must use each payment first to pay the interest on the principal up to the payment date, and then to reduce the principal.

2.2.3 **Balance on maturity.** On the maturity date or balance due date, you must pay the balance of the principal amount and any unpaid interest in full.

2.2.4 **No prepayment.** You must make payments only as the mortgage requires. You may not make early payments unless the mortgage specifically gives you the right to do so. If the mortgage gives you a right to prepay part of the amount owing, and you do so, you must continue after that to make the regular payments.

2.2.5 **Dates on which interest is calculated.** Where an interest rate is calculated half-yearly not in advance, the calculation is to be made on the half-yearly dates that we usually use.

2.2.6 **Your liability.** You are personally liable to pay the payment obligations under this section in the way in which the mortgage requires you to pay them.

2.2.7 **Future changes.** Whenever we agree to change the terms of payment obligations for the term loan in any way or replace it, the mortgage secures the payment obligations as changed or replaced. This is so, for example, if we renew the loan or extend the time for payment, and even if that increases the interest rate. You agree that, when the mortgage was given, we had not agreed to give any right to renew or extend.

2.3 **Taxes.** You must pay when due every tax on the mortgage and on every existing or future agreement which relates to the payment obligations or security for them You must pay when due every additional tax in respect of amounts paid or payable under the mortgage. Additional tax is tax under the law of a jurisdiction outside Canada. It does not include a tax on our overall net income, unless it is deducted or withheld from an amount paid or payable under the mortgage. Tax is a present or future tax, charge, levy, impost, stamp tax, duty, deduction, withholding, compulsory loan, or similar amount, under the law of any jurisdiction; interest or a penalty on any of those things; and a payment for any of those things. You must indemnify us against every additional tax for which we become liable in respect of amounts paid or payable under the mortgage. You must make every payment under the mortgage free of, and without deduction for or on account of, any additional tax, except where you are compelled by law to make the payment subject to the tax. Where you are compelled by law to pay subject to the tax, you must pay the additional amount needed to ensure that we receive a net amount equal to the full amount we would have received had payment not been made subject to the tax. You must pay it in the currency in which the payment was to be made. Where we decide that additional tax on a payment does not increase our liability for tax, we must return to you the tax that you paid and as far as it does not increase our liability. A certificate of a financial officer of ours as to the amount to be returned is conclusive.

2.4 **How interest is calculated.** All rates of interest under the mortgage (including compound interest) apply both before and after demand, maturity, default or judgment.

2.5 **Compound interest.** If interest is not paid on the day that it is payable, interest must be paid on the unpaid interest. This interest must be paid at the same rate as the unpaid interest, is calculated in the same way, and must be paid on the same days. If interest on unpaid interest is not paid on the day that it is payable, interest must be paid on that interest as provided above, and so on.

2.6 **Costs.**

2.6.1 You agree that we are to receive payment under the payment obligations free from every cost other than the costs referred to below. You agree to pay every other cost and, specifically, every other cost relating to the property, even if it does not arise during the security. You agree to pay every cost payable under the mortgage, including these terms. We are however responsible for our costs in receiving payment in the normal course of the payment obligations. Where the mortgage refers to a specific cost, that does not limit this subsection.

2.6.2 You must pay us our costs in taking our security, whether an advance is made or not. The costs include costs for negotiating the security, searching title to the property, obtaining title insurance, and preparing or registering the security. You must pay us money payable under a commitment for the mortgage.

2.6.3 You must pay us our costs for the following. Renewing a filing or registration. Providing a statement other than a statement sent to you regularly. Giving a consent or approval under the mortgage and checking that conditions are met.

Protecting our security or ourselves from claims relating to it, for example, under liens of those who do work on the real estate. Giving effect to a right you may exercise at your option. Doing anything relating to the mortgage that we are not required to do and that you want us to do, for example, entering into an agreement.

2.6.4 Wherever the mortgage requires you to pay a cost, the following terms apply. If it was caused by an act of ours, it is payable if we acted honestly. Its amount must be reasonable. It includes lawyers' fees and disbursements, charged on the basis that applies between a lawyer and his or her own client, and even though we may not have taken court proceedings. It includes fees and expenses for other professionals or agents. It includes a fee for the time and services of an employee or agent of ours. It includes a usual service charge of ours. If the cost is for something we do, and doing the thing is part of our business, it includes our normal charge. You must pay it to us as soon after it has been incurred as we ask in writing for it. You must pay interest on it from when it is incurred. Where the interest rate on any of the unpaid payment obligations is a floating rate, the interest rate is the floating rate (or, if there is more than one, the highest floating rate), plus 2% per annum. Where the interest rate on none of the unpaid payment obligations is a floating rate, the interest rate is the rate on the unpaid payment obligations (or, if there is more than one, the highest rate).

2.7 **General terms as to payments.** Except where the mortgage provides otherwise, all amounts are expressed in Canadian money and are payable in Canadian money. All payments must be made to us at our head office in Canada. But if we ask in writing for payments to be made to us at another place in Canada, payments must be made there. Payments must be made while we are open for business where they must be made. If we ask in writing, you must authorize your bank to make payments, or you must make any other reasonable arrangement for them to be paid. If a payment is made on a day after 3 p.m., Toronto time, it is treated for calculating interest as made on the next business day. Payments must be made without set-off, counterclaim or deduction. A payment is not made until we have actually and irrevocably received the full amount in immediately available funds.

2.8 **How we may apply payments.** Except where we specifically agree otherwise, we may apply a payment made to us to reduce whatever part of the payment obligations we choose. After doing so, we may apply the payment to reduce a different part of the payment obligations as we choose.

3 Our security.

3.1 **Real estate.** The following terms apply wherever the mortgage includes land or an interest in land in the security. They do not apply where your interest in the land is as a tenant under a lease.

3.1.1 **Described land.** You grant, mortgage, charge, bargain, sell, and release all your claims on, the land described in the mortgage, to us and our heirs and successors, together with all rights that go along with the land.

3.1.2 **Abutting land.** Where the law would make security under the mortgage invalid because you have an interest in abutting land, you grant, mortgage, charge, bargain, sell, and release all your claims on, all abutting land that must be included in the mortgage to make the security valid, to us and our heirs and successors, together with all rights that go along with the land.

3.1.3 **Security on other related land.** If you are entitled to an interest in other land and the other land or interest is used in connection with land described in the mortgage, you grant, mortgage, charge, bargain, sell, and release all your claims on, the other land, to us and our heirs and successors, together with all rights that go along with the land. You also agree that, if you obtain, or become entitled to obtain, an interest in other land, and the other land or interest is used in connection with land described in the mortgage, you must grant, mortgage, charge, bargain, sell, and release all your claims on, the other land, to us and our heirs and successors, together with all rights that go along with the land. Land is subject to this subsection only if it is used directly and exclusively in connection with the land that is covered by the mortgage.

3.2 **What is included in land.** The land includes the land to which the mortgage relates and fixtures on the land, whether they exist when the mortgage is given or come into existence after then. Without limiting this, the land includes the things listed below, whether they exist when the mortgage is given or come into existence after then. You agree that these things are intended to be fixtures on the land. The things are the following. Buildings on the land; other structures on the land, and fences on the land or improvements to the land. A structure on the land that is being used like a building, even if the structure is mobile or designed to be made mobile, or was wholly or partly made before being placed on the land. Equipment on the land for heating, ventilating or air-conditioning a building. Fixed machinery and mechanical equipment on the land serving a building, including elevators and escalators. Equipment on the land for supplying electricity, gas, steam, hot or cold water and communications. Lighting equipment on the land, including bulbs and tubes. Window or door screens, storm windows and window blinds, shutters and awnings for a building on the land. Antennas, satellite dishes and similar equipment on the land. Fire alarm and security systems on the land. Wall to wall floor covering in a building on the land and fixed mirrors. Crops and plants on the land. Built-in appliances on the land such as a stove or dishwasher. And a sculpture or other work of art on the land outside a building.

3.3 **Rights to insurance.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the following rights. The rights under every insurance policy covering loss of or damage to property. The rights under every insurance policy covering loss of present and future income, rents or profits from the property. And the rights under any insurance policy covered by the mortgage. This applies whether the right exists when the mortgage is given, or comes into existence after then. We are not bound to enforce a right under an insurance policy or comply with your obligations in respect of it. We need only account for money we actually receive.

3.4 **Rights to income.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the rights set out below. This applies whether the right exists when the mortgage is given, or comes into existence after then. The landlord's rights under every lease. The landlord's rights to rent and other money payable under every such lease and every other right to income from the real estate. And the landlord's rights in respect of every lease, including a guarantee or indemnity, a security and a right to insurance. Lease includes a lease specifically covered by the mortgage. We are not bound to collect the income from the property, to enforce a lease or to comply with the landlord's obligations under a lease. We need only account for income we actually receive. This section and anything we do under it do not put us in possession of real estate. Nor do they authorize you to enter into a lease. Nor do they give the interest of a tenant priority over the mortgage or create a relationship of landlord and tenant between a tenant and us.

3.5 **Other rights.** You grant and assign to us, and you give us a security interest in, the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, every right of yours described below. This applies whether your right exists when the mortgage is given, or comes into existence after then. A right under an encumbrance to which your interest in the property is subject. A right to repayment of a property tax. A right to occupy, use or enjoy a benefit over adjacent or other land in connection with land described in the mortgage. This includes a licence, an encroachment agreement or a right to park. A right to require anyone to make good a defect in the property or to pay any loss you may suffer because of a defect. This includes a warranty. A right to require anyone to provide a service for maintaining or operating the property. A right to a supply of services or materials for work on the real estate or relating to work on the real estate. This includes an approval, permit or similar right. It also includes a construction contract or consultant's agreement. A right under a trust or other agreement relating to an insurance policy that covers loss of or damage to any part of the real estate. A right under an agreement to sell or dispose of an interest in the property or part of it. And any other right covered by the mortgage. You also assign to us the full benefit of all of your rights in connection with these rights, including a guarantee, indemnity, letter of credit or bond, a security and a right to insurance. We are not bound to enforce a right or comply with your obligations in respect of it. We need only account for money we actually receive. This section does not authorize you to enter into an agreement that binds us or our interest in the property. Where your giving the security under this section would be a breach of the agreement, it is effective when it can be made without a breach. You must if we ask in writing use your best efforts to make the security effective.

3.6 **Movable property and other security.** Except where your interest in property is as a tenant under a lease, you grant, mortgage, release all your claims on, and give us a security interest over the following. Your interest in all property that is needed for or relates exclusively to the real estate. Where the real estate is a residential unit, an appliance provided by the landlord to a tenant in the real estate, such as a stove or refrigerator. Where work is being done on the real estate, your interest in materials and equipment for the work. Any property covered by the mortgage. And the proceeds of an interest of yours in all or part of the property intended to be subject to security under the mortgage. You grant, mortgage, charge, assign, bargain, sell, and release all your claims on, your interest in that interest or property, to and our heirs and successors. This applies whether the property or your interest exists when the mortgage is given, or comes into existence after then. Where the property is on the real estate, you must not, without our prior written consent, remove it from the real estate, except under the section headed **Your rights to remove and dispose of property**. The word "property" in this section has its ordinary meaning, and includes rights under agreements, intellectual property, goodwill and a claim for damages.

3.7 **When security attaches.** The time for attachment of a security interest under the mortgage has not been postponed. For property in which you have an interest when the mortgage is given, the security interest attaches then. For property in which you have an interest after then, the security interest attaches when you acquire the interest.

3.8 **Registration.** You irrevocably authorize us, and a person we authorize, to agree to, sign and register for you an electronic document needed to register the mortgage or further register it.

3.9 **Our priority.** Our security under the mortgage has priority for the payment obligations over every interest in the property created after the mortgage in favour of another person. It has priority even if we make an advance after the other person's interest was created. It has priority even if an agreement creating or changing payment obligations is entered after the mortgage was given, and even if the agreement not registered. Where the law limits our priority after we have notice of an interest in the property in favour of another person, a notice is not valid unless it is in writing, is handed personally to a senior officer of ours, clearly refers to the mortgage, and clearly states its purpose. Every person acquiring an interest in the property must be taken to agree to the terms of this section. We may have entered into an agreement with a tenant of the real estate (or any part of it) that affects our priority or other rights under the mortgage, on terms that we chose. We may do so in the future, on any terms that we choose. You agree that your interest is bound by the agreement. In particular, you agree that, if the agreement affects our priority over the tenant, it does not affect our priority over you. This section does not limit any other term of the mortgage or right of ours under it.

3.10 **Future interests of yours.** You agree that, if after the mortgage is given you acquire another interest in the property, the interest will be security for the payment obligations. This also applies if your interest increases, for example, through a joint owner's right of survivorship. Our security under this section has priority over any interest in the property in favour of anyone else created after you acquire your interest. This section does not limit any other term of the mortgage or right of ours under it.

3.11**Other parties or interests.** Every person who is a party to the mortgage, other than you and us, and including a spouse, agrees with us as follows. If the person is a spouse, the person consents to the mortgage where it affects the interest of the person's spouse, and postpones every claim as spouse to the mortgage. Where the person has an interest in the property or its proceeds, and the interest is not being mortgaged under other terms of the mortgage, the person gives us security over the interest in the same way as if the person was you, or agrees to do so. This applies whether the interest exists when the mortgage is given, or comes into existence after then. As to the interest, the person grants, mortgages, charges, bargains, sells, releases all claims on, assigns, gives a security interest in, transfers, and subleases, the property to us and our heirs and successors in the ways set out in the mortgage. As to the interest, the person agrees to be subject to all of the terms of the mortgage, and gives us all of the powers under the mortgage, as if the person was you. Where the person has a claim on money that leads to payment obligations, the person releases us from any liability for the claim.

3.12 **Your enjoyment of the property.** Until we can enforce the security, you may remain in possession of your interest in the real estate and continue to use movable property that is subject to the mortgage. Until we can enforce the security, we authorize you to collect the rent currently due under a lease. This authorization does not detract from the legal effect of an assignment in the mortgage. You may not do anything beyond these things, and we are not bound by anything beyond them that you do.

3.13 **Your rights to remove and dispose of property.** You may remove property from the real estate and dispose of it provided all of the following conditions are met. When you remove the property, we must not be entitled to enforce the security. The property must be movable or be machinery or equipment in a building. The property must be obsolete, be worn out, be such that it cannot be repaired or not be needed for the operation of the real estate. And, if the property needs to be replaced, it must be replaced immediately, the replacement of it must be at least as good as the property replaced and you must own the replacement free from encumbrances.

3.14 **Your title obligations.**

3.14.1 **Nature of your title.** Where you give us security over property, you will be taken to give security over the absolute ownership of or absolute right to the property. Where this section refers to your interest in property, it refers to that ownership or right. For real estate, this is an estate in fee simple. For all property it is the absolute ownership or absolute right, both legally and beneficially. However, where the mortgage specifically says that you have another interest, this section refers to the interest described in the mortgage.

3.14.2 **Your obligations.**

3.14.2.1 You promise that you have a good title to your interest in the property, free from encumbrances or defects. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you give us the following promises as to your interest and every interest on which your interest depends. The interest conforms to every description in the mortgage and has not been changed. The person that created the interest had a good title to the interest required to create a valid interest, free from encumbrances. The interest is valid and in force. The interest has not been terminated or surrendered, and is not voidable. And there is no outstanding default in complying with obligations relating to the interest. Where the property is a right, such as a right to income or an insurance policy, you promise that the right is valid.

3.14.2.2 You promise that you have the right, power and authority (including any required approval or consent) to mortgage, charge, bargain and sell, assign or deal with your interest in the property in the manner set out in the mortgage, free from encumbrances. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you promise that the person that created every interest on which your interest depends had the right, power and authority (including any required approval or consent) to create the interest, free from encumbrances.

3.14.2.3 You promise that you have not done, omitted or permitted anything by which your interest in the property is or may be affected or made subject to an encumbrance. You agree that, while we are entitled under the terms of the mortgage to possess or enjoy your interest in the property, we will have quiet possession or enjoyment of your interest in the property free from encumbrances. You must at our request do anything that we think is necessary or advisable to confirm any of our rights under the mortgage and pay our costs for that. You must defend your title to the property. You must not create or attempt to create an encumbrance that is prior to the mortgage or has the same priority as the mortgage. You must give us a copy of all of the documents relating to the property that are in your possession or control affecting the title (except those available in the land registration office), including surveys.

3.14.2.4 You promise that the real estate conforms to every description or plan given to us, and that it includes all buildings and improvements in every description. If your interest in the property is subject to an encumbrance, you promise that the encumbrance conforms to every description given to us.

3.14.3 **Rights included.** Where you give us security over property, our security covers every claim of yours on the property, interest of yours in it, or right of yours over it. For example, if you are a co-owner, partner or trustee, it includes your rights as co-owner, partner or trustee.

3.15 **Permitted encumbrances.** You are not liable for a breach of your obligations under the section headed **Your title obligations** merely because of the encumbrances described below. You promise that you have given us full details of all of those encumbrances that exist when the mortgage is signed.

3.15.1 The encumbrances include a lien for a property tax that is not yet due or can only be estimated because the assessment has not yet been made.

3.15.2 The encumbrances include a construction lien for an improvement that is being made in accordance with the terms of the mortgage, as long as it is not yet payable and no step has been taken to preserve, perfect or enforce it.

3.15.3 The encumbrances include an exception or reservation in favour of the Crown for mines or minerals, a right of way, any other easement, a licence similar to an easement, a restrictive covenant or a municipal bylaw provided that, in every case, it does not prevent the real estate from being used in a way that it is being used or that you have led us to expect that it will or could be used. We must postpone the mortgage to a right of way, other easement, licence or restrictive covenant that you reasonably wish to give, provided that it does not prevent the real estate from being used in that way. We need do this only if you meet all of the following conditions. You must ask us in writing. When we are to give the postponement, we must not be entitled to enforce the security. And you must show us that the encumbrance is one described above and pay our costs.

3.15.4 The encumbrances include a title defect which is minor and which, with any other defects, has no material effect on our security.

3.15.5 The encumbrances include a lease a true copy of which you have given to us or our lawyer before the mortgage was signed. And they include a tenancy agreement for a residential unit which is in favour of a person who occupies the unit as a home, which is for a term ending no more than one year after this mortgage was signed and which conforms to the last rent roll that you delivered to us before the mortgage was signed.

3.16 **Discharge.** When the payment obligations have been paid on the dates they were due and in accordance with their terms, and you ask us in writing to do so, we must give a discharge of the mortgage and a reassignment to you any rights that you have assigned to us in the mortgage. Or, if you are entitled to and do require us to assign the mortgage and rights to someone else, we must do so. You must give us a reasonable time after payment to verify our records and complete the discharge or assignment. You must pay our costs for doing what this section requires. You are responsible for registering the discharge or assignment.

4 Condominium and leasehold property.

4.1 Condominium.

4.1.1 **Meaning of terms used.** In this part, **condominium law** is a condominium, strata or similar law. A **unit** is land that is a unit governed by a condominium law, or that is a part that you have a right to occupy or from which you have the right to income, of real estate held by or for more than one person or by a corporation. A **complex** is the land governed by the condominium law of which real estate is a part, or of which a unit is a part. **Documents** are documents by which the complex or part of it is governed, for example, a declaration, bylaw, resolution, regulation, rule or agreement. The **entity** is a person, partnership, trust, association, syndicate or other body holding or managing the complex. **Common expenses** are the expenses, contributions to reserves or other payments that the condominium law or the documents require you to pay. Where the condominium law or the documents impose an obligation on or give a right to an owner of your interest in the real estate but do not treat you as the owner of the interest, or impose obligations of an owner on us, you will for the purpose of the mortgage be treated as the owner under the law or documents. Where under the terms in this section a thing is to be substantial, it is so where it is in fact so or the condominium law treats it as so.

4.1.2 **Where this section applies.** This section applies where real estate is governed by a condominium law when the mortgage is given or becomes so governed after then, or is or becomes a unit. All of the other terms of the mortgage apply, except where stated below.

4.1.3 **Our security.**

4.1.3.1 Our security on land or an interest in land includes an interest that, under the condominium law or documents, goes along with the land or interest or is to go along with it. Where your interest in property is as a tenant under a lease, the terms that apply to our security are those in this part under the heading **Leasehold property**.

4.1.3.2 Except where your interest in property is as a tenant under a lease, you transfer to us the benefit of, and irrevocably appoint us your attorney to exercise, all your rights relating to the complex. In particular, we may exercise your right to vote or consent, or to require or call a meeting. The rights include a right to proceeds of a sale, expropriation or insurance; a right to fair market value after a sale; and a right to assets of the entity. If we give you instructions about how we require you to exercise a right of yours, you must follow the instructions. When we exercise a right of yours, or give instructions, under this part, that does not mean that we have taken possession of property. We have no obligation to exercise any of your rights.

4.1.4 **Voting.** If we arrange for you to vote, we may at any time cancel the arrangement. You must give us written notice if you are asked to exercise the rights listed below and you must not exercise those rights without first obtaining our written consent. The rights are to give a consent (as distinct from voting); to vote on anything that requires more than a simple majority of those present at a meeting; to have any interest of yours purchased, dealt with or changed; or to receive assets or a payment from the entity. You must not without our prior written consent vote for any action that might reduce the value of your unit or interest or our security. Where we are not in a position to exercise your right to vote, you may do so, provided you comply with these terms.

4.1.5 **Insurance.** The entity may be responsible for insurance that the mortgage requires. Despite this, you must comply with all of your obligations under other terms of the mortgage as to insurance as far as the entity does not in fact comply with the obligations. However, the amount of your insurance for a building need only be your share of the cost of replacing it. We will regard the entity as having complied even though its insurance limits our rights as the holder of a mortgage, provided that the law or the documents impose the limit despite anything you and we have agreed to. We have the rights as to insurance given to us by other terms of the mortgage. For example, if we have a valid requirement to which the entity's insurance does not conform, you must insure in conformity with our requirement. Where the entity's insurance does not cover an improvement, your own insurance must cover it. We may require you to insure against risk caused by a failure of the entity to insure. The terms in Part 5 in the section headed **Using insurance proceeds to restore property** do not apply.

4.1.6 **Common expenses.** Your obligation under the terms of the mortgage to pay taxes and other charges extends to common expenses. Whenever we ask in writing, you must allow us to pay the common expenses. The terms of the mortgage as to our paying property taxes apply to common expenses with the necessary changes. When we pay a common expense, we can rely on any statement that appears to be issued by the entity showing the amount of the common expense and the date it is due. The terms in Part 5 in the section headed **Your rights to contest taxes or other payments** do not apply.

4.1.7 **Maintenance**. The entity may be responsible for repairs or replacements that the mortgage requires. Despite this, you must comply with your obligations under other terms of the mortgage as to repair or replacement as far as you have the right to do so. Where the entity is not responsible for repairing or replacing an improvement, you must keep it in good repair or replace it if it cannot be repaired.

4.1.8 **Other obligations.** You must comply with all of your obligations under the condominium law and the documents. Your obligations under the condominium law include obligations that the condominium law causes you to enter. You must give us any proof of compliance that we reasonably ask in writing for. You must not do anything that materially increases your obligations under the condominium law and the documents.

4.1.9 **Notice and information.** You must give the entity and others notice of the mortgage in a way that protects our right to vote, our rights in insurance and our other rights. You must forward to us a copy of notices, assessments, bylaws, rules, financial statements and other documents that you receive from the entity. You must if we ask in writing give us any information or document that you are entitled to obtain from the entity. You authorize us to obtain any information or document from the entity.

4.1.10 **Our costs.** You must pay us our costs relating to the following. A bylaw, resolution, rule or other matter (other than a resolution for which only a majority present at a meeting is required). The enforcement of a right to have the entity or another owner comply with the condominium law or the documents. And our exercising rights to vote or consent.

4.1.11 **Immediate payment if certain events occur.** We may require immediate payment of payment obligations, if any of the following events occurs. The entity fails to comply with a material obligation under the condominium law or the documents. A court makes a judgment or order against the entity. The entity in our opinion seriously fails to manage the complex in a prudent manner. A court appoints an inspector, administrator or similar officer under the condominium law. The entity becomes insolvent (and that term has the meaning given in Part 6 under the heading **When we can enforce the security**). An amount is added to the common expenses that is not added to the common expenses of all owners, or a step is taken for that. Substantial work is started on the complex, or there is a substantial increase in the common expenses or a substantial decrease in the services that the entity provides, or a step is taken for any of those things. An obligation of an owner of your interest in the real estate is enforced against us, or a step is taken for that. There is substantial damage to the complex. There is a material change to any of the documents, or a step is taken for that. The complex or part of it ceases to be governed by the condominium law or the documents, or is sold or expropriated, or the entity is amalgamated, or a step is taken for any of those things. Or the entity passes a resolution or makes a decision for which more than a simple majority present at a meeting is required. We may require immediate payment even if we voted for or consented to any of the above.

4.1.12 **Your transfers.** Before you transfer your interest in the real estate, you must have the transferee agree with us to comply with the terms of this part.

4.2 **Creation of a condominium.** You agree that none of the following things will be done without your first obtaining our written consent. Your interest real estate, or an interest that will go along with your interest in real estate, becoming governed by a condominium law. An entity being amalgamated. A new phase being created (for example, by adding to the units or common elements). Or anything that causes a condominium law to require us either to accept a repayment or to discharge a part of the real estate from the mortgage. We can enforce the security if any of those things is done. Nothing in these terms requires us to consent under this paragraph. If we now have an obligation to consent (under the mortgage or otherwise), or if we in the future become subject to an obligation to consent, you agree that we need not consent unless both of the following conditions are met (in addition to any others). You must show us that, except as far as we have specifically agreed otherwise or do so, when the thing is done, the terms of the payment obligations will be the same as before it was done, or that we will have the benefit of new payment obligations that are the same as before. And you must show us that that the terms of the mortgage (except as far as we have specifically agreed otherwise or do so), and the value and marketability of the real estate, will be at least as good for us as before, or that we will have the benefit of new security under which they are at least as good for us as before.

4.3 **Leasehold property.** The following terms apply where we would have received security under part 3 if your interest in the property had not been as a tenant under a lease. They also apply where you give us security over property in which your interest is as a tenant under a lease.

4.3.1 **Lease.** We refer in this section to the lease to you as the **lease**. In this section lease does not include the other agreements referred to in the definition of lease in part 8. We refer to the property leased by the lease as the **leased property**. We refer to your interest in the leased property as a tenant under the lease as your **leasehold interest**.

4.3.2 **How the mortgage applies to a leasehold interest.** You do not grant, mortgage, charge, assign, bargain sell, or release all your claims on, the leased property or lease to us under part 3; instead you give us the security provided for below. No assignment of rights in part 3 applies to your leasehold interest or the lease. All other terms of the mortgage apply to the leased property. However, if the lease gives you both a leasehold interest and some other interest in the leased property, this section applies to the leasehold interest and part 3 applies to the other interest.

4.3.3 **Our security.** You grant us the following security over the leased property. Except as set out in the next sentence, you mortgage or charge the leasehold interest to us. But, where the effect of the previous sentence, or any other term of the mortgage, would be to assign your leasehold interest to us, the sentence or term does not apply. You sublease the leased property to us for the rest of the term of the lease, except the last day of the term. Because you have not assigned the lease to us, your giving us the security does not put us under an obligation to your landlord to comply with your obligations under the lease. Although you have not assigned the lease to us, you must hold your remaining leasehold interest in trust for us. You must, when we can enforce the security, dispose of or deal with your interest under the lease, as we require. We may at any time after we can enforce the security appoint anyone as a new trustee in place of you or any other trustee, and we may use every power given by law to a person who appoints a new trustee to transfer the leasehold interest to the new trustee.

4.3.4 **Landlord's interest.** You agree that, even if you acquire the landlord's interest under the lease, the lease will continue to exist. If you have a right when the mortgage is given or after then to acquire the interest of any landlord in the leased property, you must give us security over the interest.

4.3.5 **Renewal.** If you have an option to renew or extend the lease, you must exercise the option and do everything needed to obtain the new lease or extension. If you have a right when the mortgage is given or after then to obtain a new lease of the leased property or to extend the lease, you must give us security over the new lease or extension.

4.3.6 **Power of attorney to us.** You irrevocably appoint us your attorney to do for you everything that this section requires you to do. We may authorize anyone to exercise this power for us.

5 Your other responsibilities.

5.1 Insurance.

5.1.1 **Kinds of insurance required.** You must insure your interest in every building and other improvement on the real estate against loss or damage by fire, extended perils and other risks normally covered by a fire insurance policy. If there is a boiler or machinery on the real estate, you must insure your interest against losses usually covered by a boiler and machinery policy. Where the real estate is leased, your insurance must cover your loss of rents and payments by tenants towards costs for at least a year. Where you use the real estate for a business purpose, the insurance must cover your loss of income for at least a year. You must also insure against general public liability. Where work is being done on the real estate, your insurance must cover builder's risks. In addition, you must carry that insurance for all of the property that a careful owner would usually carry when insuring a similar property and using it in a similar way and in a similar locality. You must also carry any insurance that any other agreement between you and us requires you to carry. If we ask in writing, you must carry any kind of insurance relating to the property that we reasonably require you to carry.

5.1.2 **Insurance against damage.** Your insurance against loss of or damage to a building or other property must be for the cost in Canadian dollars of replacing all of the building or property with a similar building or property. The policy must provide that the proceeds of any loss are payable to us and the insurer must, if we ask in writing, consent to the transfer of the benefit of the policy to us. Insurance on a building must contain a mortgage clause in the standard form approved by the Insurance Bureau of Canada. The policy must also contain any other usual term for the protection of the holder of a mortgage and a provision for us to receive at least 30 days notice before the policy is cancelled or materially altered.

5.1.3 **Company and terms.** All insurance required by the mortgage must be with a reputable insurer. If we ask in writing, insurance must be with an insurer we reasonably require. The policy must be for an amount and contain terms that a careful owner would usually require when insuring similar property, using it in a similar way and in a similar locality. If we ask in writing, the policy must also be for any amount or contain any other terms that we reasonably require. If we at any time ask in writing, you must cancel a policy and replace it with a policy approved by us and issued by an insurer approved by us.

5.1.4 **Compliance.** You must promptly pay the premiums and other costs for all insurance required by the mortgage, comply with all of your obligations in relation to the policy and comply with all of the terms relating to your right to collect under the policy. You must, if we ask in writing, ensure that we receive a certified copy of every policy for the insurance required by the mortgage and every amendment to the policy. Where a policy expires, you must, if we ask in writing, ensure that we receive proof of the renewal or replacement at least 30 days before the expiry. You must also, if we ask in writing, provide us with a receipt for the premium and other proof that you are complying with your obligations as to insurance.

5.1.5 **Claims and proceeds.** If any of the property that is insured is lost or damaged, you must notify us in writing, make a claim in accordance with the insurance policy, and ensure that the proceeds are paid to us. Despite the loss or damage, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Despite any law, we may require the proceeds of all insurance against loss of or damage to property (including income) to be used either to reduce or pay payment obligations (even though they may not then have become payable), or to restore or replace the property, or partly in one way and partly in the other. This is subject to the section headed **Using insurance proceeds to restore property**.

5.1.6 **Our right to insure.** If you do not comply with any of your obligations as to insurance in the mortgage, we may obtain any insurance that the mortgage requires you to obtain or any insurance that we think is needed to protect our interest. We are not obliged to do so and have no responsibility to you for any insurance we obtain. Anything we pay under this subsection is a cost that you must pay.

5.2 Using insurance proceeds to restore property.

5.2.1 **When you have a right to use proceeds.** We must allow you to receive the insurance proceeds for a loss to real estate, or make them available to you, under this section only if the other conditions in this section are met and both of the following conditions are met when the loss occurs. The principal owing under the mortgage must be two million dollars or more. And the remaining term of the mortgage must be five years or more.

5.2.2 **Proceeds under $100,000.** If the conditions in the subsection headed **When you have a right to use proceeds** are met and the insurance proceeds for a loss to real estate are less than $100,000, we must allow you to receive the proceeds. We need not do so after anything has happened which gives us a right to enforce the security. And we need do so only if you give us written notice asking for the proceeds before we use them to pay or reduce payment obligations. You must use the proceeds to restore the real estate.

5.2.3 **Proceeds over $100,000.** If the conditions in the subsection headed **When you have a right to use proceeds** are met and the insurance proceeds for a loss to real estate are $100,000 or more, we must make them available to you by progress payments to pay the cost of restoring the real estate provided all the conditions set out below are met.

5.2.3.1 **Preliminary conditions.** The following conditions must be met if we are to pay any proceeds to you. Within 30 days after the loss, you must give us written notice asking us to make the proceeds available. Within 90 days after the loss, you must satisfy us of the following. That the restoration is commercially reasonable. That the restoration, and the real estate after it, will comply with all laws. That during the restoration all expenses will be paid and we will receive payment the payment obligations as agreed. (We may require you to do that by depositing cash with us or giving us other security acceptable to us to cover the expenses or payments.) And that no material lease of any part of the real estate is terminated or can be terminated because of the loss and, when the restoration is completed, all material leases of the real estate will continue. We must within 90 days after the loss have given our written approval to the plans and specifications for the restoration (and we may not withhold approval unreasonably). And you must have started the restoration promptly after the loss and, in any event, within 120 days after the loss.

5.2.3.2 **Conditions for each payment.** The following conditions must be met when we make each payment to you. You must have complied with your obligations under the mortgage particularly those as to work on the real estate. Nothing must have happened which gives us the right to enforce the security. You must have satisfied us that the proceeds we will retain or receive after the payment are sufficient to pay all unpaid costs for the restoration and provide a reasonable reserve for contingencies. You must have given us a certificate signed by a professional architect or professional engineer who has been approved by us and has supervised the restoration. The certificate must state that all the requirements of the mortgage relating to the restoration have been fulfilled. It must also set out in reasonable detail the costs of the restoration to date and the estimated costs to complete. You must have satisfied us that you have a right to the payment. You must have satisfied us that the payment will be used to pay the cost of restoring the real estate. We must have received an opinion from our lawyer that there is no encumbrance on the real estate that has priority over the mortgage (except a permitted encumbrance). And not more than two years must have passed since the loss occurred.

5.2.4 **When we require you to restore.** Where we have a right to require the proceeds of insurance to be used to restore or replace property and do so, the following terms apply. We need only make the proceeds available to you by progress payments to pay the cost of restoring the real estate. And we may require any of the conditions in the subsection headed **Conditions for each payment** to be met when we make each payment to you.

5.2.5 **Effect of enforcement.** When we can enforce the security, we may give you written notice that we require proceeds of insurance to be used to reduce or pay payment obligations. When we do so, your rights under this section come to an end as to proceeds that we then hold or that we receive after then for the same loss. If we have required proceeds of insurance to be used to restore or replace property, the requirement ceases to apply to proceeds that we then hold or that we receive after then for the same loss.

5.2.6 **Holding proceeds.** We need not pay or credit you with interest on insurance proceeds while we hold them. However, we must invest proceeds for you, at your risk and expense, in any investment that you ask us in writing to make, provided that it is an investment that the law allows a trustee to make and we approve it. Any proceeds of investment must be added to the proceeds.

5.3 Taxes and other charges.

5.3.1 **Payment by you.** You must pay all property taxes when they are due. You must pay all other charges on the property when they are due. The charges include amounts under an encumbrance on the property. Every year, within two weeks after the last payment of realty taxes was due, you must give us a receipt or other proof that you have paid all of the realty taxes for the year. If we ask in writing you must give us a receipt or other proof that you have paid every property tax and other charge. This subsection is subject to the section headed **Your rights to contest taxes or other payments.**

5.3.2 **Payment by us.** Whenever we ask in writing, you must allow us to pay the property taxes on the real estate. You must then promptly forward to us all bills for property taxes that you receive. We may decide to pay property taxes once or twice a year in advance, even if they can be paid more frequently. We may require you to pay instalments to us to enable us to pay property taxes. We may estimate the amount needed to pay any property taxes and decide when to pay them. We may choose the period over which we wish to collect instalments. We may then require you to pay us the estimated property taxes by instalments at any intervals that we choose. If the period started before we began collecting the instalments, we may require you to pay a lump sum to cover previous instalments. We must use the instalments to pay the property taxes. However, if any of the payment obligations has not been complied with, we may use the instalments to reduce the payment obligations. If we have not collected enough to pay the property taxes, you must pay the shortfall when we ask in writing for it. We need not credit you with interest on the instalments except in accordance with our general administrative practice at the time for the same kind of mortgage.

5.4 **Your rights to contest taxes or other payments.** Where the mortgage requires you to pay a property tax and you wish in good faith to contest the tax, you need not pay it as long as all of the following conditions are met. The total that you are contesting must not be more than 2% of the total payment obligations owing. You must be proceeding in good faith and in the best possible manner to contest the tax. You must have deposited with us cash or given us other security acceptable to us for the full amount that we think you might have to pay if your contest does not succeed. It must not be possible for your interest in the property to be forfeited, sold or affected in any other way while you are contesting the tax. We must not then have the right to enforce the security. And you must keep us fully informed of the proceedings.

5.5 **Maintenance and replacement of property.** You must put and keep the property in good repair. You must restore or replace property that cannot be repaired.

5.6 **Alterations or additions.**

5.6.1 **Restrictions.** Except as set out in the subsection headed **Permissions** below, you must not, without our prior written approval do any of the following things, even if the work was proposed or in progress when the mortgage was given. Make or permit a structural alteration, structural addition or major change to the real estate. Remove any machinery or equipment that serves a building on the real estate. Demolish a building on the real estate. Or do or permit anyone else to do anything that lowers the value of the real estate. We may make our approval subject to conditions.

5.6.2 **Permissions.** You need not obtain our approval for an alteration or addition to a building where all of the following requirements are met. The purpose of the alteration or addition must be to make the building suitable for a tenant or occupant or to replace equipment that has become obsolete. The alteration or addition must be made in the ordinary course of business and must not interfere with the rights of a tenant or occupant. The alteration or addition must not weaken the structure of the building. The cost of all alterations and additions in progress at any time must not be more than 5% of the total payment obligations then owing. And we must not then have the right to enforce the security.

5.7 **Work on real estate.** Where you do work on the real estate, you must comply with the following obligations. You must do the work in a good and workmanlike manner, using good materials. You must conform to any contracts, plans, specifications or other description that we may have approved, and you must comply with any conditions to which our approval is subject. You must do the work with reasonable speed and without interruption until it is completed, and you must not abandon it.

5.8 **Liens.**

5.8.1 You must comply with all your legal obligations as to payment for any work on the real estate and you must comply with laws relating to encumbrances of those who do the work. If a claim is made for an encumbrance against your interest in the real estate, you must if we ask in writing immediately have it removed, by court order if necessary. If you fail to do so, we may have the encumbrance removed and provide any security needed for the purpose. Anything we pay under this section is a cost that you must pay.

5.8.2 If we reasonably conclude that our security may be subject to a construction lien, we may do any of the following things. We may require you to ensure that a certificate or declaration of substantial performance for the work is published in accordance with the law. When enforcing the security, we may provide anyone dealing with us with a financial guarantee bond or other security to cover a risk of there being a construction lien on the real estate.

5.9 **Obligations affecting property.** You must comply with every covenant, condition and other obligation that affects your interest in the property. If your interest in the property is subject to an encumbrance, they include those under the encumbrance. If property is leased to you, they include those under the lease. You agree that nothing will be done or omitted under them that might impair your interest in the property. This includes anything that could accelerate an amount owing under an encumbrance.

5.10 **Preferred claims.** This section applies to a preferred claim. This is an amount to which any of our rights under the mortgage is or may become subject, which takes or may take away any of those rights or which impairs or may impair those rights. It includes an amount that does or may do so in any of the following ways, for example. It causes a lien, implied lien, charge, trust, deemed trust or other claim on the property, or on the income or any other benefit from the property. It prevents us from receiving, or a receiver, manager from giving us, the full benefit of our security. It runs with the property or imposes an obligation on anyone who acquires an interest in the property from us. Or it may allow a person supplying an important service for the property to cut off the service. You must pay every preferred claim when it is due. If the claim became due before the mortgage was given and is unpaid, you must pay it immediately. Where anything that you do may create a preferred claim in the future, you must set and keep money aside to pay the claim.

5.11 **Legal requirements and environmental.** You must ensure that the property and its use comply with every law. You must not put or allow anyone else to put a pollutant in or on any part of the real estate (including water) that causes or is likely to cause harm to the life or health of a human being. You must not, without our prior written approval, use the real estate or allow it to be used, in a way that creates or increases a risk of a breach of this section, even if the use was proposed or in progress when the mortgage was given. We may make our approval subject to conditions, including security for clean-up costs, and you must comply with those conditions. You must give us prompt written notice of any material fact of which you become aware and which relates to the status of the real estate under any law or to any pollutant on or in the real estate, and a copy of any report that you prepare or receive on that. You agree to pay to the persons described below all loss that they suffer and that is caused by any of the causes listed below, and the persons are not liable to you for any loss so caused. The loss includes loss from a liability or from a cost relating to the liability. The causes are a breach of any law relating to the real estate or its use, or a pollutant in or on the real estate (including water), even if the breach occurred, or the pollutant was in or on the real estate, when the mortgage was given. The persons are as follows. Us, a person for whom we hold the payment obligations, a person for whose benefit we or the person hold any of the payment obligations, and a receiver or receiver and manager appointed under the

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mortgage. A shareholder, director, officer, employee and agent of us, the person or the receiver or receiver and manager. And an heir, legal representative, successor or assignee of anyone listed in the previous two sentences. This section does not limit a right of us or a person who benefits under this section under any other term of the mortgage.

5.12 **Specific environmental problems.** You have given us a promise about things in a list in section 1.10. You agree not to do or allow anyone else to do any of the things. This does not limit our rights under the previous section. It does not apply to anything for which you have obtained our prior written approval under the previous section.

5.13 **Leases.**

5.13.1 **Our approval required for some leases.** Before entering into any of the following leases, you must obtain our written approval to the lease. A lease of more than 20% of all rentable areas on the real estate. A lease (or series of related leases) at a net rent of more than 20% of the total net rent from the real estate. (The total net rent is the actual net rent for premises then leased, the proposed net rent for the premises then being leased and the projected net rent for all other unleased premises.) A lease of premises which were previously leased, if the net rent under the lease is at a rate for the rentable area of less than 85% the highest yearly rate under the previous lease. And a lease to a tenant not dealing at arm's length with you. In calculating net rent under this subsection, we may reduce the rent to take into account your expenses, such as for inducements. You will be bound by a calculation of the percentages under this subsection that we make in good faith. We will not withhold our approval to a lease unreasonably, except to a lease to a tenant not dealing at arm's length with you. Our approving a lease does not mean that our interest is bound by it.

5.13.2 **Your general obligations as to leases.** You must not enter into a lease unless the lease satisfies the following conditions. The lease is to a tenant, at a rent and on terms, that are reasonable to the landlord, and you have taken the steps in entering into the lease that would be taken by a prudent landlord. The lease restricts the tenant's use of the premises to a use that is appropriate for the real estate. The lease does not require the tenant to pay rent more in advance than monthly or make any other kind of advance payment to you for the benefit of the lease (except for any security deposit of not more than one months' rent). The lease prevents the tenant from setting-off against or deducting from the rent or from other payments due to the landlord under the lease any amount that the tenant may claim from the landlord.

5.13.3 **Your dealings with tenants.** You must not accept rent under a lease more than one month in advance (except for a security deposit of not more than one month's rent). We are not bound by it if you do. We are not bound by any of the things listed below unless we give our prior written approval to them. We may not withhold our approval unreasonably. The things are the following. A surrender or termination of a lease or an agreement to surrender or terminate a lease. A material amendment of a lease. A release or waiver by you of a material obligation under a lease. Or a release by you of any of your remedies for a serious breach of an obligation under a lease. If a tenant of the real estate becomes insolvent, you must give us written notice of that, and you must if we ask in writing give us the opportunity to take part in any proceeding.

5.13.4 **Rent control and standards.** You must comply with every law as to the rents that may be charged to tenants of the real estate and as to the standards to which the real estate must conform.

5.13.5 **Your obligation to obtain agreements between tenants and us.**

5.13.5.1 If we ask in writing, you must exercise your rights and use your best efforts to have the tenant under every lease that exists when the mortgage is signed enter into an agreement with us. If we ask in writing, you must have the tenant under every other lease enter into an agreement with us.

5.13.5.2 In the agreement, the tenant must postpone the lease to the mortgage. The tenant must also agree, if we ask in writing, to permit us (including a purchaser from us) to enforce the lease. The agreement must contain such terms as we reasonably require.

5.13.5.3 In the agreement referred to in this section, we must agree not to enforce our rights under the mortgage to disturb the tenant's possession or use of the real estate as tenant under the lease, as long as the tenant pays all rent and other money under the lease without set-off or deduction and is complying with all the tenant's other obligations under the lease. However we need enter into this agreement only if all of the following conditions are met. The tenant is at arms' length to the landlord. The lease conforms to all of the requirements of the mortgage. We have given our written approval to the lease (and we may not withhold our approval unreasonably). The tenant has executed all documents that the tenant is obliged to execute. The landlord and the tenant have substantially completed all work required by the lease to make the premises ready for use. The landlord has done substantially everything else that the lease requires of the landlord at or around the beginning of the lease, for example, taking over other premises of the tenant or paying an inducement or improvement allowance. The tenant has taken possession of all of the leased premises, has started to carry on business in them and has started to pay rent. And we do not then have the right to enforce the security.

5.14 **Proceedings affecting the property.** You must immediately notify us in writing if you or anyone else takes or threatens any action under any law or encumbrance relating to the property. This includes anyone taking a step to enforce a claim for work on the real estate, a court action, a proceeding before an administrative body (such as a zoning hearing or environmental assessment), an official action (such as an expropriation or order to comply with a bylaw), or a notice of default under an encumbrance.

5.15**Our rights to inspect and get reports, including environmental.** We may at any time, before or after we can enforce the security, inspect the real estate, make appraisals of it, make tests of it, take samples from it, conduct environmental testing of it, or monitor any activity on it. We may have another person do these things for us. Where a person has done any of the things for you, you consent to the person doing them for us or giving us any information. You must permit us and anyone we authorize to enter the real estate at reasonable times, before or after default and for any purpose we think is necessary. You must pay us our reasonable costs for exercising our powers under this section when we ask in writing for them. Exercising the powers in this section does not put us or our agent in possession, management or control of the real estate. Nor does it give you any rights against us or a person we have to do the things for us. This section does not limit any other right of ours under the mortgage.

5.16 **Your giving us proof.** Where the mortgage requires you to make a payment to anyone other than us, or comply with another obligation, you must if we ask give us proof that you have made the payment or complied. You must do so within a reasonable time, and in any event within 30 days.

5.17 **Your giving us information.** You must give us and anyone we authorize any financial, tax or other information that you have or can reasonably obtain and that we ask for in writing, about the following. About you, everyone who is responsible for payment obligations, every guarantor and, where property is held by a trustee, every beneficial owner. About the property. Or about how you are complying with your obligations. You authorize anyone else to give us that information. You must permit us and anyone we authorize to inspect the information at reasonable times and make a copy of it. You must if we ask in writing give us a budget for the real estate containing information we reasonably require.

5.18 **Your keeping accounts and giving us statements and rent rolls.** You must at all times keep records and accounts for the property in accordance with sound accounting practice. Within 120 days after the end of each financial year, you must give us a copy of the financial statements for you, everyone who is responsible for payment obligations, every guarantor and, where property is held by a trustee, every beneficial owner. A chartered accountant must prepare the statements in accordance with generally accepted accounting principles. If we reasonably ask in writing, an independent firm of chartered accountants must audit them. Within 120 days after the end of each financial year, you must also give us a separate operating statement for the real estate. It must at least show, by category, the income and operating expenses for the real estate, and the net income. Within 120 days after the end of each financial year, you must also give us a rent roll for the real estate as at the end of the year. It must at least show every tenant, and for each the rentable area in square feet; the annual, monthly and per square foot rent; the commencement and expiry dates of the lease; details of future rent increases; and whether rents are net or gross.

5.19 **Your conduct of business.** You must use, manage and operate the property in a reasonably prudent manner, in doing so you must comply with every law, and you must pay all expenses for doing so. If you are a corporation, you must maintain your corporate existence.

5.20 **Your using professional management.** If we decide that you have not complied with the previous section, we may give you a written notice requiring you to comply. If 30 days after the notice we decide that have still not complied, we may give you a notice requiring you to use a manager chosen by us. You must then employ and use that manager to manage the real estate. You must pay the manager's remuneration and expenses.

5.21 **Use of income.** Until you have paid all current expenses directly attributable to the ownership and operation of the real estate, including all payment obligations, that have become payable, you must not use any rent and other money payable under a lease, or any other income from the real estate, for any other purpose.

5.22 **No change in use of real estate.** You must not, without our prior written approval, make a major change in the use of the real estate. You must not abandon the real estate or leave a building on it vacant.

5.23 **Indemnity and release.** You agree to pay to the persons described below all loss that they suffer and that is caused by any of the causes listed below, and the persons are not liable to you for any loss so caused. The loss includes loss from a liability or from a cost relating to the liability. The causes are injury to or death of a person or loss of or damage to property on or about the real estate; a use, non-use or condition on or about the real estate; and a breach of any law relating to the real estate or its use. The persons are as follows. Us, a person for whom we hold the payment obligations, a person for whose benefit we or the person hold any of the payment obligations, and a receiver or receiver and manager appointed under the mortgage. A shareholder, director, officer, employee and agent of us, the person or the receiver or receiver and manager. And an heir, legal representative, successor or assignee of anyone listed in the previous two sentences. You agree to pay the loss to us, and we are not liable for the loss, even where it was caused by our negligence, but this sentence does not cover a loss while we were in possession of the real estate on or about which the loss was caused. This section does not limit a right of us or a person who benefits under this section under any other term of the mortgage.

5.24 **Other agreements.** You must comply with your obligations to us under any other agreement that relates to payment obligations.

6 Enforcing security.

6.1 **When we can enforce the security.** We can enforce the security after any of the events listed below has occurred. We can do so even if the cause of the event is outside anyone's control. We can do so without presentment, protest, demand or notice, all of which you waive. If you are more than one person, an event for each person is an event of default for both or all of you. The events are:

6.1.1 A payment, or part of a payment, under any of the payment obligations is not made when it is due. This applies whether the amount is due on demand or a fixed date and by acceleration or otherwise.

6.1.2 Any other obligation to us under the mortgage is not complied with. Or where you are to do or not to do something, on or to the property, or as to its use, another person does the thing. This subsection is subject to the section headed **Notice of default** below.

6.1.3 Anything happens that impairs any of our security or any interest of yours in the property.

6.1.4 Any of the promises made, or information given, to us under or in connection with the mortgage is materially incorrect or incomplete. A promise or information may have been limited to what the person who made or gave it knew. However, we can enforce the security if we find that the matters in the promise or information are materially incorrect, even though the person making the promise or giving the information did not know that it was incorrect, or had done what was reasonable to verify it.

6.1.5 Any obligation to us under any other agreement that relates to payment obligations is not complied with, or an event of default occurs under such an agreement.

6.1.6 At any time during the mortgage the property or its use does not comply substantially with every law. Or a part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being.

6.1.7 You become insolvent (or, if you are more than one person, any of you does). Or anyone who is responsible for all or part of the payment obligations becomes insolvent, including a guarantor or indemnifier. A person becomes insolvent when any of the following happens. The person becomes a bankrupt or an insolvent, or is found in a legal process to be bankrupt or insolvent. The person makes an assignment for the benefit of creditors. Anyone enforces a judgment, distress or similar process against an asset of the person. A liquidator, receiver, trustee or similar officer is appointed for all or part of the person's assets or income. The person or anyone else starts a bankruptcy, arrangement or readjustment of debt, dissolution, liquidation or similar proceeding relating to the person under any law, including a proposal. And the person admits in writing the person's inability to pay the person's debts as they become due. Where anyone other than the person enforces the process or starts the proceeding, the person becomes insolvent only if the process or proceeding has not been dismissed, discharged or bonded within 60 days after it was enforced or started.

6.1.8 In our opinion, there is a material adverse change in your financial condition, in the value of the real estate, or in the income from the real estate.

6.1.9 Any other event occurs after which the mortgage says we can enforce the security.

6.2 **Notice of default.** We cannot enforce the security under section 6.1.2 (that is, merely for a failure to comply with any obligation other than an obligation to pay money), unless we give you written notice of the failure and it is not cured 30 days after we give the notice. However, if you can cure the failure but it cannot be cured within 30 days, we cannot enforce the security for the failure if you start curing it within 7 business days after we give the notice, you proceed continuously with the cure as quickly as possible and you complete the cure within 60 days after we gave the notice. Despite the above, we may without notice use our powers to carry out any obligation with which you have failed to comply where we think an earlier remedy is necessary to protect the value of our security. And, wherever a term of the mortgage outside this part headed **Enforcing security** refers to our becoming entitled to enforce the security, it must be read as if it the words like "or we would have become entitled to enforce the security had we not been required to give notice" had been added to it.

6.3 **We may require obligations to be paid immediately.** When we can enforce the security, we may require immediate payment of all payment obligations (including obligations that have not become payable). The obligation to make the payment is however subject to any provision of a law which applies despite what you and we have agreed to in this section and which gives you a right to avoid the consequences of this requirement.

6.4 **We may take action.** We may take legal action to collect the payment obligations.

6.5 **We may take possession.** When we can enforce the security, we may take possession of the property.

6.6 **We may collect income.** When we can enforce the security, we may collect income from the property.

6.7 **We may sell.** When we can enforce the security, we may sell or dispose of the interest in the property covered by our security, without going to court. We may also ask a court to order a sale of that interest.

6.8 **We may divide property.** When we are in a position to sell the interest in the property covered by our security, we may, if any other person also has an interest in the property, agree with that person to divide the property between persons who have interests in it or to acquire an interest of the person. We may pay or receive money for the purpose and money we pay is a cost that you must pay.

6.9 **We may exercise the powers of an owner.** When we take possession of or collect income from the property we may exercise all the powers of an owner of the interest in the property covered by our security and you are bound by our actions. These powers include the following. We may manage and operate the property and carry on a business relating to the property. We may make or continue a repair, alteration or addition to the property. We may take legal proceedings relating to the property. We may borrow money or advance money for the purpose of exercising our powers. We may enter into contracts for the purpose of exercising our powers.

6.10 **We may appoint a receiver (or receiver and manager).**

6.10.1 **Appointment and removal.** When we can enforce the security, we may in writing appoint anyone to be a receiver or a receiver and manager as to the property, on any terms, including remuneration, that we think are reasonable. References in the mortgage to a receiver include a receiver and manager. We need not obtain security from the receiver and are not limited by any law in our choice of the receiver. We may make the appointment even if we have taken possession of property and, when we do so, we will be treated as having gone out of possession. We may also in writing remove a receiver appointed by us. When we remove a receiver, we may appoint a new receiver. We may also ask a court to appoint a receiver.

6.10.2 **Effect of appointment.** A receiver appointed by us is considered to be your agent and not ours; the receiver's acts and defaults are considered your acts and defaults and not ours; and you alone are responsible for the receiver's acts and defaults. Neither the appointment nor anything done by the receiver puts us in possession of property or makes us accountable for money except money we actually receive. You release every receiver appointed by us from all claims against the receiver as receiver, unless they are caused by the receiver's dishonesty or gross neglect. You agree to pay every receiver all losses suffered by the receiver under liabilities the receiver incurs as receiver, except as far as they are caused by the receiver's dishonesty or gross neglect.

6.10.3 **Receiver's powers.** A receiver appointed by us has the following powers. The receiver may exercise any right or power that we can exercise, except where the appointment restricts the receiver from exercising a right or power. The receiver may use any legal right or remedy of yours or ours, in your name or ours, to collect income from the property. The receiver may borrow money on the security of the interest in the property covered by our security in priority to the mortgage for the purpose of exercising the receiver's powers. We may require the receiver to pay money received to us, or we may direct the receiver to use it as follows. To pay the receiver's remuneration and expenses. To pay rents, property taxes, insurance premiums, costs of repair and other expenses relating to the property. To pay money owing under an encumbrance having priority over the mortgage. To pay or reduce any of the payment obligations. To pay any of the money that remains to the person who, if the receiver had not been appointed, would have been entitled to it.

6.11 **We may lease.** When we can enforce the security, we may do the following things. We may grant a lease. We may terminate a lease, accept a surrender of a lease or agree to amend a lease.

6.12 **We may become the owner.** When we can enforce the security, we may take proceedings to foreclose your right to redeem the real estate, and ourselves become the owner of the interest in the property covered by our security.

6.13 **We may ourselves carry out an obligation of yours.** When we can enforce the security, we may carry out any obligation with which you have failed to comply. We or anyone we authorize may enter the real estate for the purpose. We may pay an amount under an encumbrance on the property, if we decide it has priority over the mortgage, or a property tax. We may prepay the encumbrance and compensate its holder. We may settle with the holder the amount to be paid and any compensation. Nothing we do under this section puts us in possession of the interest in the property covered by our security. Anything we pay under this section is a cost that you must pay.

6.14 **We may distrain.** When we can enforce the security, we may distrain for arrears of payment obligations, as if they were rent and the real estate was leased to you. The arrears include, not only interest, but also principal, taxes and costs. The right to distrain is a right to take and dispose of goods. Our power is subject to any law that applies despite what you and we have agreed to, for example, where the real estate is a home. You waive any exemption from our right to distrain and any limit on it. Distraining does not put us in possession of the real estate and we need account only for money we actually receive. The right can be exercised by anyone who, after the mortgage is given, becomes the holder of the mortgage.

6.15 **We may consolidate another mortgage.** Where a principle of equity would give us a right to refuse a discharge of the mortgage, until another mortgage is paid (that is, to consolidate mortgages), you agree that we have the right despite any statute.

6.16 **We may recover costs.** You must pay us all our expenses and costs in collecting under the payment obligations and exercising our rights under the mortgage, and even if we do not completely do so.

6.17 **How we may exercise our powers.** When we exercise any of our powers under the mortgage, the following terms apply.

6.17.1 We may exercise the power as to all or part of the property or as to any interest in all or part of the property. We may exercise the power without obtaining any consent or cooperation from you. We may exercise the power in your name or ours. We may exercise the power even if we have not taken possession of the property. We may exercise the power to enter into a sale, lease or other transaction in any way and on any terms that we think are reasonable. For example, we may do so by private contract as well as by public auction or tender, and we may sell on credit as well as for cash. If we sell on credit, we need not account for the proceeds until we receive them.

6.17.2 We may do everything that we think proper relating to a sale, lease or other transaction. For example, we may enter into an agreement to enter into the transaction, bring an agreement to an end, enter into a new agreement or amend an agreement. At an auction we may set a reserve price or buy in to prevent a sale that we think is inappropriate. We may give all documents that we think are necessary for the above purposes.

6.17.3 We may transfer or deal in any other way with every interest in the property that you had the power to dispose of or deal with. You must at our request do everything that we think is necessary or advisable to transfer your interest in the property or deal in any other way with it and you must pay our costs for that. You irrevocably appoint us as your attorney to do at any time anything we decide is needed or desirable to exercise a right under the mortgage. Wherever you appoint us as your attorney, you also appoint anyone we authorize or substitute, as your attorney for the same purpose.

6.17.4 Where your interest in property is a right, or is affected by an obligation, we may decide or settle a question as to the right or obligation.

6.17.5 Where a receiver exercises a right or power, this section applies as if all references to us were to the receiver.

6.18 **Other terms relating to our rights.**

6.18.1 **Legal powers.** Where a power that the mortgage gives to us goes beyond what is permitted by a law that applies despite what you and we have agreed to, we have the power as far as that law permits.

6.18.2 **Legal requirements apply.** Our rights in the mortgage are subject to our giving any notice or taking any other step that is required by a law that applies despite what you and we have agreed to. Subject to this and to the other terms of the mortgage, we can enforce our security without giving any notice or taking any other step, except where the mortgage expressly gives you a right to notice.

6.18.3 **Other rights.** The rights set out in the mortgage are not exhaustive; we may exercise any other right given to us by the mortgage, any other agreement, or the law. We may exercise more than one of the rights given to us by the mortgage, any other agreement, or the law, at the same time, at different times and in any order we choose.

6.18.4 **Use of proceeds.** We may use money that we receive from enforcing the security to reduce or pay any of the payment obligations in whatever way we decide.

6.18.5 **Shortfall.** If money we receive from enforcing the security falls short of the total payment obligations owing, we retain the right to recover the shortfall.

6.19 **Things left on the real estate.** If, when we enforce the security over real estate, there is anything on it over which we do not have security, you must pay a reasonable charge for storing the thing. You must also pay any costs we incur for it. We may remove it from the real estate. We may sell it. We are not liable for loss of it or damage to it, however caused, even if intentionally or by gross negligence.

6.20 **Protection of persons who deal with us or a receiver.**

6.20.1 When we sell, grant a lease, collect income or enter into any other kind of transaction authorized by the mortgage with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered and that the transaction is of a kind that we have the power to enter. When a receiver appointed by us enters into any kind of transaction with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered, that we have entered a document purporting to appoint the receiver, that the transaction is of a kind that we have the power to enter and that the transaction is not of a kind that the document entered by us restricts the receiver from entering. A statutory declaration by us or an officer of ours as to any fact set out in this subsection is conclusive evidence in favour of every person referred to above. Every such person may assume without inquiry that we can enforce the security, that we are using our powers properly and that the receiver is using the receiver's powers properly. The person is not affected by the fact that a transaction is improper, even if the person actually knows of the fact. In particular, the person may do the following things. The person may assume that there are outstanding payment obligations under the mortgage. The person may assume that an event has occurred which gives us the right to enforce the security, that we have given any required notice and that any required time has passed. Where we or the receiver can enforce the security on terms that we or the receiver think are reasonable, the person may assume that the terms on which we or the receiver enforce the security are reasonable. The person may pay money to us or the receiver without being concerned about what we or the receiver do with it.

6.20.2 Any transaction that conforms to the previous subsection binds you. You must not make any claim against the person who deals with us or the receiver or that person's successors on the ground that the transaction does not conform to other terms of the mortgage. If you do have a claim for anything done by us, it is restricted to a claim for compensation against us, and is subject to all terms limiting our liability.

6.21 **Our protection.** We are not responsible for any loss arising in the course of our enforcing the security or exercising a right under any other term of the mortgage, even if it was caused by negligence, unless it results from our dishonesty or our gross neglect.

7 Other terms.

7.1 Immediate payment after transfer, change of control, condominium or change in tax status.

7.1.1 In this section, **transfer** includes a transfer by law and, for a non-public corporation, a change of control (direct or indirect) or amalgamation of the corporation. (For the purpose of this section, we will treat the change or amalgamation as a transfer of the interest of the corporation, and the person receiving control or the successor after the amalgamation as the transferee.) This section applies to a transfer if it meets all of the following tests. It must be of an interest in all or a substantial part of the real estate. It must be of an interest of an owner (as defined in Part 8) that is subject to our security or, where the interest is subject to a bare trust, the interest of a trustee or beneficial owner. Where the interest is held by more than one person, it must be of 50% or more of the interests of both or all of the persons. And, for a partnership, it must be by the partnership or, for a transfer of interests in the partnership, it must be of 50% or more of the interests of the partners in a general partnership, or of the general partners in a limited partnership. If a transfer is part of a series of transfers, both or all are treated as one.

7.1.2 Despite other terms of the mortgage, we may at our option require immediate payment of all of the payment obligations whenever there is a transfer to which, under the previous subsection, this section applies. The previous sentence does not apply where we give our prior written approval to the transfer. You agree that there will not without our prior written approval be a transfer to which, under the previous subsection, this section applies. We may not withhold approval to a transfer under this subsection unreasonably. We do not withhold approval unreasonably where we are not satisfied that a transferee is creditworthy or has the expertise needed to manage the real estate. We do not withhold approval unreasonably where we require a transferee to agree with us to comply with the mortgage or a major shareholder of a non-public corporate transferee to give us a guarantee or indemnity. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a transfer does not impair or waive our right under this section on a future transfer. This subsection does not impair any other right that we may have to approve or consent to a transfer.

7.1.3 You must give us written notice of a transfer at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the transfer. This must include a copy of every agreement for the transfer, a copy of the last financial statements for a business of every transferee, a net worth statement for every individual transferee and major shareholder of a non-public corporate transferee, a current operating statement and rent roll conforming to the requirements under the heading **Your keeping accounts and giving us statements and rent rolls**, and a description of every business of every transferee.

7.1.4 Despite other terms of the mortgage or this section, we may at our option require immediate payment of all of the payment obligations whenever, after the mortgage is given, any of the following ceases to be resident in Canada for tax purposes: an owner (as defined in Part 8) of an interest that is subject to our security or, where the interest is subject to a bare trust, a beneficial owner.

7.2 **Effect of your selling or dealing with the property.** If you sell or deal in any other way with your interest in the property or part of it, you continue to be liable for your obligations under the mortgage, and our rights against you or anyone else are not affected. Nothing that we do in connection with a sale or dealing (including our approving a transfer or having a person agree to assume a liability or give us a guarantee or indemnity) impairs those rights.

7.3 **Your obligation to notify us after a transfer.** After a transfer of the interest in the real estate or any part of it of an owner or beneficial owner, you must promptly notify us in writing of the date of the transfer. Except where we have already received the details, the notice must include the price or consideration, the full name and address of every transferee and where the transferee is a trustee, the same information for a beneficial owner.

7.4 **Further encumbrance.** Despite other terms of the mortgage, we may require immediate payment of all of the payment obligations whenever, after the mortgage is given, a mortgage or charge is given on the interest in all or part of the real estate of an owner. This section does not apply where we give our prior written approval to the mortgage or charge. You agree that there will not without our prior written approval be a mortgage or charge on the interest in all or part of the real estate of an owner. We may not withhold approval unreasonably. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a mortgage or charge does not impair or waive our right under this section on a future mortgage or charge. You must give us written notice of a mortgage or charge at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the mortgage or charge. This must include a copy of every agreement for the mortgage or charge; the amount, rate and terms of repayment of the obligations secured; details of the purpose for which the obligations are incurred; and the name, address and description of the intended holder of the mortgage or charge.

7.5 **Additional terms as to our obligation to lend (including terms as to liens).** Our taking the mortgage, or our advancing money under it, does not put us under an obligation to lend money or to extend credit. Nor does it add to any such obligation that we may have. Despite any agreement, we need not lend money or extend credit while we can enforce the security. Or while we would have had the right to enforce the security if we had not been required to give notice or allow time to pass. Despite any agreement, we may reduce an amount we must lend, or for which we must extend credit, by what we think is needed to remove a prior encumbrance. We may do this only where our security is to have priority over the encumbrance and we think it may not, for example, where you are constructing a building and we think a lien may have priority.

7.6 **Effect of law or other transactions, including any commitment.** The mortgage adds to our rights. Nothing in the mortgage takes away or reduces our rights under any law or other transaction. Nothing in any other transaction between you and us takes away or reduces our rights under the mortgage. If there is a conflict between the mortgage and a law or another transaction, it must be resolved to give us the rights under both or, where there is a conflict, the better rights. Subject to the above, the terms of a commitment or other agreement for the mortgage continue in force (and do not merge into the mortgage).

7.7 **Effect of subdivision of the real estate.** If any of the real estate is divided into a lot, condominium unit or other part, every part of the property secures the total payment obligations. This section applies whether the division exists when the mortgage is given, or takes place after then. The obligations must not be apportioned to parts of the real estate. You cannot require us to discharge a part of the real estate for part of the payment obligations. You waive any right given to you by law that is inconsistent with this section.

7.8 **Effect of our giving releases or discharges.** If we release anyone from an obligation or if we release any security, our rights against anyone else or under any other security are not affected. This applies when we agree to extend the time for payment of any of the payment obligations or to change their terms in any other way. It also applies when we discharge part of the property from the mortgage; if we do, the property not discharged secures the total payment obligations that remain owing. This section applies whatever are the terms on which we give the release or discharge and even if we receive nothing in return. We are not liable to you for the release or discharge, except to account to you for money that we both actually receive and accept to reduce the payment obligations.

7.9 **Effect of our delaying enforcing the security or waiving rights.** If we delay enforcing a right under the mortgage or any other agreement, or do not exercise the right, or do not exercise a right against anyone, we do not lose or impair the right or any other right. If we waive a breach of any obligation under the mortgage or any other agreement, we do not lose a right of ours in respect of any other breach of the obligation. If we waive a right, we do not lose or impair any other right of ours. We are not bound by an agreement that contains a waiver unless it is in writing and is signed by us.

7.10 **Effect of our dealings with future owners.** After the mortgage is given, a person may become an owner of the property and we may enter into an agreement with that person extending the time for payment of the payment obligations or changing the payment obligations in some other way. If so, we do not lose or impair our rights against anyone who had agreed to pay or had guaranteed the payment obligations or given an indemnity. The same applies if we deal in any other way with a new owner or deal in any way with any other person who has an interest in the property or part of it.

7.11 **Effect of our obtaining a judgment.** If we obtain a court judgment for a failure to pay any of the payment obligations or to perform any other obligation, the judgment does not supersede the obligation, or impair the obligation or our right to enforce our security. We continue to be entitled to interest under the payment obligations, calculated and payable as agreed, and the judgment may so provide.

7.12 **Effect of our paying security.** If we pay an amount under an encumbrance on the property, we not only have the rights given to us by the mortgage, but we are also entitled to the rights of the person paid. If a person paid gives a discharge, we may hold it, without registering it, for longer than any period during which any law might otherwise require us to register it.

7.13 **Your liability.** Where more than one of you are liable for an obligation under the mortgage, both or all of you are jointly and severally liable for the obligation.

7.14 **Your spouse.** While any existing or future law gives your spouse any right if we enforce the security, you must keep us informed in writing of the full name and address of the spouse. Spouse includes anyone whom the law treats like a spouse for the purpose of the security.

7.15 **Effect of expropriation.**

7.15.1 This section applies where all or part of your interest in all or part of the real estate is expropriated, that is, taken without your consent by a government or anyone else in the exercise of a statutory power. It also applies where there is "injurious affection" to all or part of your interest in all or part of the real estate, that is where its value is reduced by an expropriation or other action under a statutory power.

7.15.2 Despite an expropriation or injurious affection, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Our security under the section headed **Other rights**, in the part headed **Our security**, also covers the benefit of your rights to compensation for the expropriation or injurious affection. We may require all or part of the compensation to be used to reduce or pay payment obligations (even though they may not then have become payable). The events after which we can enforce the security under the section headed **When we can enforce the security** include the expropriation or injurious affection.

7.15.3 Despite the above, compensation for an expropriation or injurious affection may be dealt with in the same way as insurance proceeds for loss to real estate. All of the terms of the section headed **When you may use insurance to restore property** that apply to those proceeds apply to the compensation. For this purpose, where the terms refer to the proceeds, they must be taken to refer to the compensation. Where they refer to restoring the real estate, they must be taken to refer to improving the real estate that remains subject to the mortgage. Where they refer to the loss, they must be taken to refer to the expropriation or injurious affection. Corresponding changes must be made to the rest of the terms. If we are to pay any of the compensation to you, you must satisfy us as to two further matters. First, that the improvement will increase the value of the real estate by at least the amount of the compensation. And second that the expropriation or injurious affection has not caused a material adverse change in the nature of our security.

7.16**Events beyond your control.** If any of the events listed below or other similar event beyond your control prevents you from complying with an obligation under the part headed **Your other responsibilities**, other than a payment obligation, and you could not by exercising a skill that we might reasonably have expected an owner of a similar property to have or by taking reasonable care have avoided the event, you are not be responsible for a delay in complying caused by the event. The events referred to above are a fire, an act of God, a strike, a war and an act or omission of a governmental authority. An inability to pay money is not an event referred to in this section. This section does not apply while we have the right to enforce the security.

7.17 **How the mortgage is affected if a term is invalid or unenforceable.** If a term of the mortgage is or becomes invalid or unenforceable, that does not make the mortgage or other terms invalid or unenforceable. If our security is invalid or unenforceable as to part of the property or an interest in property, it remains valid or enforceable as to the remaining part or interest. If the mortgage is or becomes invalid or unenforceable as to any payment obligations, that does not make the mortgage invalid or unenforceable as to other payment obligations.

7.18 **Changes to the mortgage must be in writing.** We are not bound by any change to the terms of the mortgage that detracts from our rights unless it is in writing and signed by us.

7.19 **Your responsibility.** A right of ours under the mortgage does not relieve you from a duty as to the property or put a duty on us. Nor does our exercising the right. In particular, the right or exercise does not mean that we take over a duty based on possession, management or control. This section does not limit our rights.

7.20 **We assume no additional responsibility.** Nothing we do relating to the mortgage puts us under a duty of care towards you. You should not rely, for example, on an appraisal we make as showing the value of property, on our requiring insurance as showing that it is appropriate, on an inspection as showing that property is without defect, or on our approving a lease as showing that it is advisable.

7.21**Notices or other communications.**

7.21.1 **How we may give notices.** Where the mortgage requires or allows us to give a notice in writing to any person (including you) or to communicate in any other way in writing with any person (including you), we may give the notice or communication in any of the following ways. We may deliver it personally to the person. If the person is a corporation or partnership, we may deliver it personally to anyone we reasonably believe to be a director, officer, general partner or responsible employee or agent of the corporation or partnership. We may leave it at the person's address last known to us with a grown-up person there or in a place where it should reasonably be seen by anyone at that address. We may mail it by prepaid mail addressed to the person at the person's mailing address last known to us, and we may choose whether to send it by ordinary, certified or registered mail. Every party to the mortgage consents to our providing it in an electronic form (including fax) to any person or, if the person is a corporation or partnership, to a director or other person described above. We may advertise it in a newspaper published or generally read in the area where any part of the real estate is situated.

7.21.2 **Time of receipt.** A notice or communication delivered, left or advertised in any of the ways set out above is regarded as given to the person when it is so delivered, left or published. A notice or communication mailed as set out above is regarded as given on the third business day after it was mailed, whether the person actually receives it or not. If there is a mail strike on the day that it is mailed or before it would be regarded as given, the mailed notice is not given until it is delivered. A notice or communication sent by fax on a business day and before 3 p.m. in the place to which it is sent is regarded as given on that day; otherwise it is regarded as given on the next business day after it was sent. A notice or communication provided in another electronic form is given, if the person (including a director or other person) has designated an information system for the purpose of receiving information, or has used an information system for the purpose of sending us information, when it enters the system last so used and becomes capable of being retrieved and processed by the person.

7.21.3 **Addressee.** A notice or communication is valid even though it is not addressed to anyone by name or description. It is also valid even though the person affected by it is not known, has not been identified or is under a disability.

7.21.4 **Who is entitled to a notice or communication.** Where the mortgage requires or allows us to give a notice to you or communicate with you in any other way, the notice or communication is valid if we give or make it to a person last known to us to be an owner of your interest in the real estate, as defined under **Meaning of terms used.** This is so even though the expression "you" may include others or the notice or communication relates to property other than real estate. Where there are more than one owner, the notice or communication is valid if we give or make it to either or any of them.

7.21.5 **Law.** This section does not take from us the benefit of any provision of the law dealing with a notice or communication. In particular, a notice of sale is validly given if it would be regarded as properly given under any law.

7.22 **Transfer by us.** We may transfer or otherwise deal with the benefit of all or part of our rights, or any interest in or power relating to all or part of our rights, under the mortgage, or any guarantee or other right relating to the mortgage, free from any set-off, counterclaim or other equity or claim. You must at our expense do everything to facilitate the transfer or dealing that we may ask for in writing. If a transferee of all or part of our rights agrees with us to assume an obligation of ours relating to the rights, we are after the transfer released from liability for the obligation. We may delegate powers or responsibilities of ours, for example, to a person servicing the mortgage. When we do anything under this section, or propose to do so, we may disclose any information we have received.

7.23 **How others are affected by the mortgage.**

7.23.1 Your obligations under the mortgage are binding on, and our obligations under it benefit, a legal or personal representative, successor in interest or assignee of yours, and every other person who after the mortgage is given becomes the holder of an interest or right in the property or a part of it. Wherever the mortgage refers to you, that includes every such person, where the context allows.

7.23.2 The mortgage is binding on and benefits a legal or personal representative, successor in interest or assignee of ours, and every other person who after the mortgage is given becomes the holder of an interest or right in the mortgage or a part of it. Wherever the mortgage refers to us, that includes every such person, where the context allows. The person has the powers that the mortgage gives to us.

7.24 **Your changing your location or name.** You agree that there will not, without our prior written approval (which we may not withhold unreasonably), be a change in location for any person against whom we must register the mortgage in order to perfect it by registration, if the change causes us to need to register the mortgage under the law of another jurisdiction. This may apply to a change in the person's place of business if there is one, the person's chief executive office if there is more than one place of business, or otherwise the person's principal place of residence. You must promptly give us written notice of a change in a name against which we must register the mortgage in order to perfect it by registration. For an artificial body (for example, a partnership, an unincorporated body, an estate or a trust) this may, for example, be a change in the name of the body or of a member. You must, when asking for the approval or giving the notice, give us all the details we need to keep our registration current.

7.25 **Our approvals, consents and other actions.** Where under the mortgage we have a right to approve or consent to anything, or to be satisfied about anything, or to make any other decision, we have the sole discretion in exercising the right, except where the mortgage expressly provides otherwise. Where the mortgage expressly provides that we must act reasonably or in another way, we must be taken to have done so, unless you have shown us that we are acting unreasonably or not in that way. Where we act unreasonably or not in that way, we need not compensate you for any loss caused.

7.26 **Conflict between these terms and the mortgage.** If there is a conflict between any of these terms, or between these terms and the rest of the mortgage in which these terms are included, it must be resolved to give us the rights under both, or the better rights.

7.27 **Governing law.** The mortgage is governed by the law of the jurisdiction in which the real estate is located, including federal law in force in that jurisdiction. The courts of that jurisdiction have jurisdiction in matters under the mortgage.

7.28 **Consideration.** You agree that you are giving the mortgage in return for, among other things, one dollar, which you have received. Every other person entering the mortgage agrees that the person is doing so in return for, among other things, one dollar, which the person has received.

7.29 **Counterparts.** The mortgage may be signed in counterparts.

7.30 **Terms included by law.** Subsection 7(1) of the Land Registration Reform Act includes terms in a mortgage unless the mortgage excludes them. Neither those terms nor any similar terms in any future law are included in the mortgage.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200211 Ont.

8 Meaning of terms used.

8.1 **What certain terms mean.** Terms used in the mortgage have the following meanings:

8.1.1 **Business day** means any day other than a Saturday, Sunday or public holiday in the jurisdiction in which the real estate is located.

8.1.2 **Cost** includes every payment obligation that is referred to in the mortgage, or in any agreement containing payment obligations or relating to the mortgage, as a cost, charge or expense including those that, as a result of the mortgage, the law requires you to pay.

8.1.3 **Encumbrance** includes the following. An exception, reservation or condition. Any agreement intended to create security or raise finance, including a mortgage, charge, conditional sale, lien, pledge, assignment or lease. A lease, right of way or other easement or restrictive covenant. A reversion or trust. A claim under a marriage or family law. A claim by adverse possession or use. Or any other encumbrance (as that word is ordinarily understood). It includes any of these things even if it is inchoate, potential, unregistered or unperfected or affected property before it became part of other property.

8.1.4 **Land** includes real property. It includes buildings and the other things that land includes and that are referred to in part 3.

8.1.5 **Law** includes law that is either enacted or part of the common law. Enacted law includes law made by the federal, provincial or other government, by a municipality, or by any other governmental body. Law also includes a governmental action, such as an order, notice or approval.

8.1.6 **Lease** means a lease of all or part of the real estate, an agreement to give a lease of all or part of the real estate and an agreement giving anyone a right to occupy or use all or part of the real estate (except a right of way or other easement). If there has been an agreement changing the terms of such a lease or agreement, it means the lease or agreement as so changed. Where **lease** refers to an agreement giving anyone a right to occupy or use all or part of the real estate, **landlord** means the person whose interest is subject to the right and **tenant** means the person who has the right. In all cases **lease** includes a sublease.

8.1.7 **Owner** of an interest in a property that is subject to our security means a person who would ordinarily be regarded as an owner or holder of the interest. Where there is a mortgage on the interest subsequent to ours, it excludes the holder of the mortgage, and means a person whose interest is subject to the mortgage (or last mortgage), or who holds the equity of redemption under that mortgage (or last mortgage). Where the interest is subject to a lease, it excludes the tenant. Where a person holds the interest in trust, it means the trustee, and excludes a beneficiary. When an owner or holder of an interest dies, it means the person who controls or represents the estate, and excludes a beneficiary, while the person does so. Where more than one person is an owner, it includes both or all (or either or any) of them.

8.1.8 **Payment obligations** are the obligations to pay money that are intended to be secured by the mortgage. Where the amount secured by the mortgage is limited, payment obligations are the obligations without regard to the limit.

8.1.9 **Person** includes corporation

8.1.10 **Pollutant** means a substance that can cause or probably could cause harm to the life or health of a human being. It may be a solid, liquid, gas, odour or radiation.

8.1.11 **Property** means any property an interest in which is intended to be subject to security under the mortgage. It includes real estate.

8.1.12 **Property tax** means every kind of tax, rate, duty, levy, charge, imposition, assessment and fee, general or special, on the property or any part of it or in respect of the property or any part of it, whether it is in favour of a federal, provincial or other government, a municipality, a church authority, or any other governmental body, and whether it is of a kind that exists when the mortgage is given or comes into existence after then. It does not include a tax on us in respect of our overall net income or gains or a tax in respect of a transfer by us of our interest in the mortgage or of the payment obligations.

8.1.13 **Real estate** means the land which, or an interest in which, is intended to be subject to security under the mortgage.

8.1.14 **Work** on real estate includes constructing anything that becomes part of the real estate, altering the real estate, adding to the real estate, repairing the real estate and demolishing a part of the real estate.

8.2 **Interpretation generally.** Where under the mortgage you or we promise, you or we must be taken to represent and warrant. Where under the mortgage you or we must do or not do anything, you or we agree and covenant to do or not do the thing. Your liability under your obligations in the mortgage continues after the payment obligations have been paid or the mortgage has been discharged.

Dated March 19, 2002.

The Manufacturers Life Insurance Company
By:

*Corporate
Seal*

Name: Lorne Down
Title: Vice President, Canadian Mortgage

Manulife one

Manulife One Account

Ontario Mortgage

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200212 Cote
Filing Date May 8, 2002 Date de Dépôt
Page 1 of/de Seventeen (17) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Form 1
Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by **Manulife Bank of Canada**

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

Manulife one

General Mortgage Terms

In the mortgage, **you** are each person by whom security is given under the mortgage (and your and yours refer to that person). **We** are each person to whom security is given under the mortgage (and us, our and ours refer to that person). The **mortgage** is the mortgage or charge in which these terms are included, and includes these terms. Other expressions have the meanings set out at the end of these terms.

Contents

1 Preliminary matters
2 Payment obligations
3 Guarantees and other support
4 Our security
5 Condominium and leasehold property
6 Your other responsibilities
7 Enforcing security
8 Other terms
9 Meaning of terms used

1. Preliminary matters.

1.1 **Your verifying your knowledge.** A promise by you to us in the mortgage may be limited to what you know. Where this is so, you promise that you have done what a reasonable person would do to verify the promise.

1.2 **Information you have supplied.** You promise that, as far as you know, all information that you have supplied to us for the mortgage is substantially accurate and complete.

1.3 **Your legal obligations.** You promise that you are not a party to a legal proceeding (except one that you have informed us about in writing), and are not in serious default under your legal obligations.

1.4 **Your documents.** You promise that you have given us a copy of all of the following documents relating to the property that are in your possession or control. Documents affecting the title (except those available in the land registration office). And surveys, tests and reports.

1.5 **Work on the real estate.** You promise that you are not giving the mortgage to secure the financing of work on the real estate. This statement is subject to anything as to which you have informed us in writing.

1.6 **Your obligations under the mortgage.** You promise that you are complying with all of your obligations under the mortgage when it is given.

1.7 **Condition of the property.** You promise that, as far as you know, the property has no defect that cannot be found by a reasonable inspection.

1.8 **Legal requirements.** You promise that, as far as you know, the property and its use comply substantially with every law. If we are making a loan for work on the real estate, you promise that, as far as you know, the law permits the work and its use.

1.9 **Environmental.** You promise that, as far as you know, nothing that is part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being. This does not apply to anything about which you have fully informed us in writing.

2. Payment obligations.

2.1 **What obligations the mortgage secures.** The mortgage secures all obligations to pay money under its terms. It secures all obligations that are described in its terms as secured by it. Where, as a result of the mortgage, the law requires you to make a payment, it secures your obligation to make the payment. And it secures compensation that is or may become payable because of a breach of your obligations under the mortgage or under any other agreement that relates to mortgage.

2.2 **Obligations under collateral security.** The mortgage also secures the obligations described in this section. The obligations secured are every liability described below, owing by you or another person described below, to us or another person described below.

2.2.1 **Liability.** Where this part refers to a liability owing by a person (which in this subsection includes you), it includes a liability remaining unpaid by the person. Where this part refers to a liability of a person, it applies whether the liability is present or future, direct or indirect, absolute or contingent, or matured or not. It applies to a liability in any currency. It applies whether a liability arises from dealings between the person and the person to whom the liability is owed, or from any other dealings or proceedings by which the person to whom the liability is owed may be or become the creditor of the person in any way. It applies to a liability wherever incurred. It applies to a liability whether incurred by the person alone or with another or others, and whether as principal or guarantor. It applies to a liability even if incurred under another name. The liabilities include all interest, commissions, costs, charges and expenses in connection with any of the above. The mortgage secures a current or running account. It secures an ultimate balance. The security under the mortgage is continuing, and continues, for its full amount, until we give a complete discharge of the mortgage. It is not reduced or affected by any of the following before we give the discharge. Our not advancing the full amount when you give the mortgage. Your paying payment obligations. Or a payment reducing the balance to nil.

2.2.2 **Persons whose liability is secured.** The liabilities secured include those of the following persons. They include all of your liabilities. Where the mortgage shows that the mortgage secures the liability of a person, they include all of that person's liabilities. They include all of the liabilities of every future owner, as defined under **Meaning of terms used** at the end of these terms. And where a future agreement to which we (or the holder of the mortgage) and the owner or owners are parties shows that the mortgage secures the liability of a person, they include all of that person's liabilities.

2.2.3 **Liability secured until notice.** Where the liabilities secured include those of a person at a time, they include the liabilities of the person at all future times, even if the person ceases to come within the description in the mortgage. However, if the person ceases to come within the description in the mortgage, the liabilities secured exclude the person's liabilities after a valid notice described below takes effect and until the person again comes within the description in the mortgage. The notice is valid only if it meets all of the following requirements. It must be given by an owner and be in writing. It must be handed personally to a senior officer of ours (or of the holder of the mortgage). It must clearly refer to the mortgage. And it must give the name of the person whose liabilities are not covered and clearly state its purpose. If a valid notice is given, the liabilities secured exclude those of the person named that are incurred or arise after thirty days after the notice was given, except as set out above and below. The liabilities secured include those of the person named that are incurred or arise before or within the thirty days, even if they have not then matured. And the liabilities secured include those of the person named based on an express or implied agreement made before or within the thirty days.

2.2.4 **Additional terms.** The following terms apply to this section. Where the liabilities secured include those of a person (including you), they include all the liabilities of a person for whom the person acts as trustee or agent. Where the liabilities secured include those of more than one of the person (including you), they include the liabilities of both or all (or either or any) of them. When the liabilities secured start to include those of a person, they secure the existing liabilities of the person. The liabilities are those owed to us or the other persons described in this section. Where we permit a person to incur a liability honestly believing that the person is a person whose liability the mortgage secures, the person must be treated as such a person. A statement of a relevant fact, made by a person that we believe to be an owner at the time, is conclusive. It is sufficient if our belief under this subsection is honest, even if it is negligent.

2.2.5 Persons to whom the secured liability is owed.

2.2.5.1 The liabilities secured include those owed to the following persons. They include those owed to us. Where a person other than us holds the mortgage, they include those owed to the holder. (We or the holder will notify you in writing after a change in the holder, but not doing so does not change the effect of this subsection.) They include those owed to another member of the group of companies of us or the holder of the mortgage. (For a liability not otherwise included, this applies only if we or the holder notify you in writing of this before the liability is incurred and give you the member's name.) They include those owed to a person who holds the benefit of the liability for us or the holder, or a member, referred to above. (For a liability not otherwise included, this applies only if we or the holder notify you in writing of this before the liability is incurred and give you the person's name.) They include those owed to us or the holder and held for the benefit of another person. In every case, if there are more than one of us or the person to whom the liability is owed, they include a liability owed to both or all (or either or any) of us or them. After a change in the holder of the mortgage, the liabilities secured continue to include existing and future liabilities owed to previous holders (including us).

2.2.5.2 A person holds the mortgage even if the person only has a right to the benefit of the mortgage, or a right to receive a transfer of it, and even if the change in the holder is not registered. A second company is a member of the group of a first company if the second directly or indirectly controls the first; or the first directly or indirectly controls the second; or both are directly or indirectly controlled by the same person. Where this subsection refers to us, it means the person or persons to whom you give the mortgage (but that does not limit the section headed How others are affected by the mortgage.

2.2.5.3 We or the holder of the mortgage may decide whether, or how far, the mortgage secures a liability to a person other than us or the holder, and we or the holder may change a decision. We or the holder may do so in our or its absolute discretion and for our or its own benefit. We or the holder owe no duty to you or the other person in the decision. You must still deal with us or the holder in all matters relating to the security.

2.2.6 **When the liability is payable.** Where a law requires the mortgage to state the date on which a liability is payable and the mortgage does not do so, the liability is payable on demand. Despite this, we (or the holder of the mortgage) must not make a demand for an obligation unless it has become payable under its terms, and the obligation may not be prepaid unless permitted by its terms.

2.3 **Limit.** Where the amount secured by the mortgage is limited, the following terms apply. A payment does not reduce the limit. The limit does not affect our right to recover an obligation over the limit. It does not affect our right to enforce other security (and any limit in other security must be considered to be additional). And it does not limit a guarantee or indemnity. If obligations secured exceed the limit, we may decide what part of the obligations are secured by the mortgage.

2.4 **How interest is calculated.** All rates of interest under the mortgage (including compound interest) apply both before and after demand, maturity, default or judgment. Where a rate is plus or minus a percentage, the added or deducted percentage is a percentage of principal, not a percentage of the rate. Interest must be calculated (or compounded) in the manner agreed, and the section headed **Compound interest** below does not impair our right to that. For example, if you need not pay interest at or before the end of a period over which interest is calculated (or payments that you are to make for interest do not cover all the interest that accrues), you are liable for interest on the interest (or the shortfall) at the same rate and calculated in the same way as interest on principal, and for interest on that interest, and so on. Where the mortgage does not set the date for the end of the period, we may choose the date, having regard to any other dates for payments under the mortgage.

2.5 **Compound interest.** If interest is not paid on the day that it is payable, interest must be paid on the unpaid interest. This interest must be paid at the same rate as the unpaid interest, is calculated in the same way, and must be paid on the same days. If interest on unpaid interest is not paid on the day that it is payable, interest must be paid on that interest as provided above, and so on.

2.6 **Costs.**

2.6.1 You agree that we are to receive payment under the payment obligations free from every cost other than the costs referred to below. You agree to pay every other cost and, specifically, every other cost relating to the property, even if it does not arise during the security. You agree to pay every cost payable under the mortgage, including these terms. We are however responsible for our costs in receiving payment in the normal course of the payment obligations. Where the mortgage refers to a specific cost, that does not limit this subsection.

2.6.2 You must pay us our costs in taking our security, whether an advance is made or not. The costs include costs for negotiating the security, searching title to the property, obtaining title insurance, and preparing or registering the security.

2.6.3 You must pay us our costs for the following. Renewing a filing or registration. Providing a statement other than a statement sent to you regularly. Giving a consent or approval under the mortgage and checking that conditions are met. Protecting our security or ourselves from claims relating to it, for example, under liens of those who do work on the real estate. Giving effect to a right you may exercise at your option. Doing anything relating to the mortgage that we are not required to do and that you want us to do, for example, entering into an agreement.

2.6.4 Wherever the mortgage requires you to pay a cost, the following terms apply. If it was caused by an act of ours, it is payable if we acted honestly. Its amount must be reasonable. It includes lawyers' fees and disbursements, charged on the basis that applies between a lawyer and his or her own client, and even though we may not have taken court proceedings. It includes fees and expenses for other professionals or agents. It includes a fee for the time and services of an employee or agent of ours. It includes a usual service charge of ours. If the cost is for something we do, and doing the thing is part of our business, it includes our normal charge. You must pay it to us as soon after it has been incurred as we ask in writing for it. You must pay interest on it from when it is incurred. Where the interest rate on any of the unpaid payment obligations is a floating rate, the interest rate is the floating rate (or, if there is more than one, the highest floating rate), plus 2% per annum. Where the interest rate on none of the unpaid payment obligations is a floating rate, the interest rate is the rate on the unpaid payment obligations (or, if there is more than one, the highest rate).

2.7 **General terms as to payments.** Except where the mortgage provides otherwise, all amounts are expressed in Canadian money and are payable in Canadian money. All payments must be made to us at our head office in Canada. But if we ask in writing for payments to be made to us at another place in Canada, payments must be made there. Payments must be made while we are open for business where they must be made. If we ask in writing, you must authorize your bank to make payments, or you must make any other reasonable arrangement for them to be paid. If a payment is made on a day after 3 p.m. Toronto time, it is treated for calculating interest as made on the next business day. Payments must be made without set-off, counterclaim or deduction. A payment is not made until we have actually and irrevocably received the full amount in immediately available funds.

2.8 **How we may apply payments.** Except where we specifically agree otherwise, we may apply a payment made to us to reduce whatever part of the payment obligations we choose. After doing so, we may apply the payment to reduce a different part of the payment obligations as we choose.

3. Guarantees or other support.

3.1 **Introduction.** A person may be giving a guarantee for another person's liability. Or the mortgage may, wholly or in part, secure another person's liability. This part refers to the guarantee, or the mortgage where it does so, as **support**. It refers to a person whose liability is supported as a **debtor**. It refers to a liability to which the support applies as a **supported liability**. A liability can be a supported liability, even if recourse for it is limited. It applies wherever, under the mortgage, a person (including you or an owner) gives support. It applies whether we are getting the benefit of the support or another person is. Where another person is, references to us in this part must be read as being to the other person, except where this part specifically says they must not.

3.2 **Guarantee.** Where, under the mortgage, a person gives a guarantee, the person guarantees all of the payment obligations and every other liability under the mortgage. A person giving support also agrees to pay to us every loss (including a liability) that we suffer if a supported liability is not paid or complied with, and even if a debtor becomes bankrupt. The support is unconditional and irrevocable. The support continues until every supported liability has been fully and irrevocably discharged. It does so as if it was a liability of the person giving support as a principal, and as if every debtor was the agent of the person giving support. It does so despite anything that might discharge the support because the person giving support was a guarantor or in the position of a guarantor. The person agreeing to these things towards us does not detract from the person's rights against anyone other than us.

3.3 **Effect of dealings etc.** The support applies despite any dealing by us with a debtor or anyone else, or any circumstance, which might otherwise have affected the support. If the dealing or circumstance changes or replaces a supported liability, the support applies to the changed liability or replacement, and even if a change is material or fundamental. This is so even though the person giving support may not know of or consent to the dealing. The dealings or circumstances include the following. Our giving more time to comply with the liability, or our giving any other waiver. Our agreeing to vary the liability. Our releasing anyone, accepting a part payment in satisfaction of the liability or entering into any other kind of settlement of the liability. Our releasing or agreeing to vary a security, or an obligation of another person, even if the person is a guarantor, or the person and the person giving support were jointly and severally liable. Our renewing the liability or extending the time for payment, even if other terms are changed (for example, the interest rate is increased). Our dealing in any of these ways with a new owner after a transfer of property. Our taking other rights such as security or guarantee. The liability being postponed, discharged, reduced or affected, or not being provable due to an insolvency, liquidation or dissolution proceeding or any law.

3.4 **Other rights.** The support applies to a supported liability even though we may not for any reason have the full benefit of a right against, or security over assets of, the debtor or anyone else. This section applies even if our not having that benefit was caused by our being unwilling to act, or our lack of care or other fault. This section applies in the following cases, for example. Our not enforcing a liability. Our not taking advantage of other rights such as a guarantee or a security. Or our not taking, protecting, preserving, registering, perfecting or enforcing any security, guarantee or other right from a debtor or anyone else. The support applies to the liability, and we are not liable to the person giving support, even if we do not provide credit or comply with an obligation to the debtor or anyone else.

3.5 **Defects in supported liabilities.** If we act on the basis that a supported liability exists and anything causes it not to be a liability, the support applies as if the liability had existed. It applies to the following causes, for example. A debtor lacking legal capacity, such as being under age, not having mental capacity, having died, or being bankrupt. A debtor dying, being dissolved, not being a legal person, not having power to enter a liability or not having authority to exercise a power. A lack of authority or fraud of anyone purporting to act on behalf of a debtor. Or a liability or a term of a liability or a part of them being illegal, invalid, unenforceable, not provable or discharged under any law. This section does not apply if a manager of ours actually knew of the cause when the liability would have arisen, but it applies even if we acted negligently.

3.6 **Enforcement.** We cannot enforce the support until we have given a demand to the person giving support. Where the support applies to a liability that arises after a demand, we can give more than one demand. We can enforce the support even if we have not enforced rights against the debtor or anyone else, or under any security. We can enforce the support and those rights in any order we choose. A certificate from a manager of ours stating the amount owing by the debtor is conclusive proof of the amount as against the person giving support. If a debtor settles, states or admits an account with us, the person giving support is bound by it.

3.7 **Termination.** The person giving support may give notice which, if it is valid, may end the support for future liabilities. In this section references to us must not be read as being to another person getting the benefit of the support. The notice is valid only if it meets all of the following requirements. It must be in writing. It must be handed personally to a senior officer of ours (or of the holder of the mortgage). It must clearly refer to the mortgage. And it must give the name of every debtor and clearly state its purpose. If a valid notice is given, the support ends for a liability of the debtor that is incurred or arises after thirty days after the notice was given, except as set out below. It does not end for a liability that is incurred or arises before or within the thirty days, even if it has not then matured. And it does not end for a liability based on an express or implied agreement with the debtor or anyone else made before or within the thirty days.

3.8 **Other terms.** Where more than one person gives support for a liability, both or all of them do so jointly and severally. The support is continuing, is of an ultimate balance, and is not affected even if a payment before it ends reduces a balance to nil. The terms under the heading **Costs** applies this part. The person giving support must comply with the terms under the heading **Information**. This part is the whole agreement between person giving support and us on the subject matter of this part, and supersedes all representations on that subject matter. The support is not subject to any escrow or condition. Where more than one person is to give support, each person gives the support even if another does not. The support adds to any other rights we may have. The obligations of a person giving support under this part are binding on a legal or personal representative and successor of the person. This part benefits a legal or personal representative, successor in interest or assignee of ours, and every other person who after the mortgage is given becomes the holder of an interest or right in the mortgage or a part of it. Wherever the part refers to us, that includes every such person, where the context allows. The person has the powers that the mortgage gives to us.

4. Our security.

4.1 **Real estate.** The following terms apply wherever the mortgage includes land or an interest in land in the security. They do not apply where your interest in the land is as a tenant under a lease.

4.1.1 **Described land.** You grant, mortgage, charge, bargain, sell, and release all your claims on, the land described in the mortgage to and to the use of us and our heirs and successors, together with all rights that go along with the land.

4.1.2 **Abutting land.** Where the law would make security under the mortgage invalid because you have an interest in abutting land, you grant, mortgage, charge, bargain, sell, and release all your claims on all abutting land that must be included in the mortgage to make the security valid, to and to the use of us and our heirs and successors, together with all rights that go along with the land.

4.1.3 **Security on other related land.** If you are entitled to an interest in other land and the other land or interest is used in connection with land described in the mortgage, you grant, mortgage, charge, bargain, sell, and release all your claims on, your interest in the other land to and to the use of us and our heirs and successors, together with all rights that go along with the land. You also agree that, if you obtain, or become entitled to obtain, an interest in other land, and the other land or interest is used in connection with land described in the mortgage, you must grant, mortgage, charge, bargain, sell, and release all your claims on, your interest in the other land to and to the use of us and our heirs and successors, together with all rights that go along with the land. Land is subject to this subsection only if it is used directly and exclusively in connection with the land that is covered by the mortgage.

4.2 **What is included in land.** The land includes the land to which the mortgage relates and fixtures on the land, whether they exist when the mortgage is given or come into existence after then. Without limiting this, the land includes the things listed below, whether they exist when the mortgage is given or come into existence after then. You agree that these things are intended to be fixtures on the land. The things are the following. Buildings on the land; other structures on the land; and fences on the land or improvements to the land. A structure on the land that is being used like a building, even if the structure is mobile or designed to be made mobile, or was wholly or partly made before being placed on the land. Equipment on the land for heating, ventilating or air-conditioning a building. Fixed machinery and mechanical equipment on the land serving a building, including elevators and escalators. Equipment on the land for supplying electricity, gas, steam, hot or cold water and communications. Lighting equipment on the land, including bulbs and tubes. Window or door screens, storm windows and window blinds, shutters and awnings for a building on the land. Antennas, satellite dishes and similar equipment on the land. Fire alarm and security systems on the land. Wall to wall floor covering in a building on the land and fixed mirrors. Crops and plants on the land. Built-in appliances on the land such as a stove or dishwasher. And a sculpture or other work of art on the land outside a building.

4.3 **Rights to insurance.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the following rights. The rights under every insurance policy covering loss of or damage to property. The rights under every insurance policy covering loss of present and future income, rents or profits from the property. And the rights under any insurance policy covered by the mortgage. This applies whether the right exists when the mortgage is given, or comes into existence after then. We are not bound to enforce a right under an insurance policy or comply with your obligations in respect of it. We need only account for money we actually receive.

4.4 **Rights to income.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the rights set out below. This applies whether the right exists when the mortgage is given, or comes into existence after then. The landlord's rights under every lease. The landlord's rights to rent and other money payable under every lease and every other right to income from the real estate. And the landlord's rights in respect of every lease, including a guarantee or indemnity, a security and a right to insurance. Lease includes a lease specifically covered by the mortgage. We are not bound to collect the income from the property, to enforce a lease or to comply with the landlord's obligations under a lease. We need only account for income we actually receive. This section and anything we do under it do not put us in possession of real estate. Nor do they authorize you to enter into a lease. Nor do they give the interest of a tenant priority over the mortgage or create a relationship of landlord and tenant between a tenant and us.

4.5 **Other rights.** You grant and assign to us, and you give us a security interest in, the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, every right of yours described below. This applies whether your right exists when the mortgage is given, or comes into existence after then.

A right under an encumbrance to which your interest in the property is subject. A right to repayment of a property tax. A right to occupy, use or enjoy a benefit over adjacent or other land in connection with land described in the mortgage. This includes a licence, an encroachment agreement or a right to park. A right to require anyone to make good a defect in the property or to pay any loss you may suffer because of a defect. This includes a warranty. A right to require anyone to provide a service for maintaining or operating the property. A right to a supply of services or materials for work on the real estate or relating to work on the real estate. This includes an approval, permit or similar right. It also includes a construction contract or consultant's agreement. A right under a trust or other agreement relating to an insurance policy that covers loss of or damage to any part of the real estate. A right under an agreement to sell or dispose of an interest in the property or part of it. And any other right covered by the mortgage. You also assign to us the full benefit of all of your rights in connection with these rights, including a guarantee, indemnity, letter of credit or bond, a security and a right to insurance. You irrevocably appoint us as your attorney to exercise at any time the rights. We are not bound to enforce a right or comply with your obligations in respect of it. We need only account for money we actually receive. This section does not authorize you to enter into an agreement that binds us or our interest in the property. Where your giving the security under this section would be a breach of the agreement, it is effective when it can be made without a breach. You must if we ask in writing use your best efforts to make the security effective.

4.6 **Movable property and other security.** Except where your interest in property is as a tenant under a lease, you give us a security interest over the following. Your interest in all property that is needed for or relates exclusively to the real estate. Where work is being done on the real estate, your interest in materials and equipment for the work. Any property covered by the mortgage. You grant, mortgage, charge, assign, bargain, sell, and release all your claims on, your interest in that interest or property, to us and our heirs and successors. This applies whether the property or your interest exists when the mortgage is given, or comes into existence after then. The word "property" in this section has its ordinary meaning, and includes rights under agreements, intellectual property, goodwill and a claim for damages.

4.7 **When security attaches and waiver of copy.** The time for attachment of a security interest under the mortgage has not been postponed. For property in which you have an interest when the mortgage is given, the security interest attaches then. For property in which you have an interest after then, the security interest attaches when you acquire the interest. You waive any right to receive a copy of a financing statement or financing change statement for the mortgage.

4.8 **Registration.** You irrevocably appoint us your attorney to apply to amend a register for the real estate in a land registration office. We must not exercise this right until we can enforce the security. You irrevocably authorize us, and a person we authorize, to agree to, sign and register for you an electronic document needed to register the mortgage or further register it.

4.9 **Our priority.** Our security under the mortgage has priority for the payment obligations over every interest in the property created after the mortgage in favour of another person. It has priority even if we make an advance after the other person's interest was created. It has priority even if an agreement creating or changing payment obligations is entered after the mortgage was given, and even if the agreement not registered. Where the law limits our priority after we have notice of an interest in the property in favour of another person, a notice is not valid unless it is in writing, is handed personally to a senior officer of ours, clearly refers to the mortgage, and clearly states its purpose. Every person acquiring an interest in the property must be taken to agree to the terms of this section. This section does not limit any other term of the mortgage or right of ours under it.

4.10 **Future interests of yours.** You agree that, if after the mortgage is given you acquire another interest in the property, the interest will be security for the payment obligations. This also applies if your interest increases, for example, through a joint owner's right of survivorship. Our security under this section has priority over any interest in the property in favour of anyone else created after you acquire your interest. This section does not limit any other term of the mortgage or right of ours under it.

4.11 **Other parties or interests.** Every person who is a party to the mortgage, other than you and us, and including a spouse or guarantor, agrees with us as follows. If the person is a spouse, the person consents to the mortgage where it affects the interest of the person's spouse, and postpones every claim of the person to the mortgage. Where the person has an interest in the property or its proceeds, and the interest is not being mortgaged under other terms of the mortgage, the person gives us security over the interest in the same way as if the person was you, or agrees to do so. This applies whether the interest exists when the mortgage is given, or comes into existence after then. As to the interest, the person grants, mortgages, charges, bargains, sells, releases all claims on, assigns, gives a security interest in, transfers, and subleases, the property to us and our heirs and successors in the ways set out in the mortgage. As to the interest, the person agrees to be subject to all of the terms of the mortgage, and gives us all of the powers under the mortgage, as if the person was you. Where the person has a claim on money that leads to payment obligations, the person releases us from any liability for the claim.

4.12 **Rights included and proceeds.** Where you give us security over property, our security covers every claim of yours on the property, interest of yours in it, or right of yours over it. For example, if you are a co-owner, partner or trustee, it includes your rights as co-owner, partner or trustee. Our security covers the proceeds of an interest of yours in all or part of the property intended to be subject to security under the mortgage.

4.13 **Your enjoyment of the property.** Until we can enforce the security, you may remain in possession of your interest in the real estate and continue to use movable property that is subject to the mortgage. Until we can enforce the security, we authorize you to collect the rent currently due under a lease. This authorization does not detract from the legal effect of an assignment in the mortgage. You may not do anything beyond these things, and we are not bound by anything beyond them that you do.

4.14 **Your title obligations.**

4.14.1 **Nature of your interest.** Where you give us security over property, you will be taken to give security over the absolute ownership of or absolute right to the property. Where this section refers to your interest in property, it refers to that ownership or right. For real estate, this is an estate in fee simple. For all property it is the absolute ownership or absolute right, both legally and beneficially. However, where the mortgage specifically says that you have another interest, this section refers to the interest described in the mortgage.

4.14.2 **Your obligations.**

4.14.2.1 You promise that you have a good title to your interest in the property, free from encumbrances or defects. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you give us the following promises as to your interest and every interest on which your interest depends. The interest conforms to every description in the mortgage and has not been changed. The person that created the interest had a good title to the interest required to create a valid interest, free from encumbrances. The interest is valid and in force. The interest has not been terminated or surrendered, and is not voidable. And there is no outstanding default in complying with obligations relating to the interest. Where the property is a right, such as a right to income or an insurance policy, you promise that the right is valid.

4.14.2.2 You promise that you have the right, power and authority (including any required approval or consent) to mortgage, charge, bargain and sell, assign or deal with your interest in the property in the manner set out in the mortgage, free from encumbrances. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you promise that the person that created every interest on which your interest depends had the right, power and authority (including any required approval or consent) to create the interest, free from encumbrances.

4.14.2.3 You promise that you have not done, omitted or permitted anything by which your interest in the property is or may be affected or made subject to an encumbrance. You agree that, while we are entitled under the terms of the mortgage to possess or enjoy your interest in the property, we will have quiet possession or enjoyment of your interest in the property free from encumbrances. You must at our request do anything that we think is necessary or advisable to confirm any of our rights under the mortgage and pay our costs for that, and you irrevocably appoint us your attorney to do the thing for you. You must defend your title to the property. You must not create or attempt to create an encumbrance that is prior to the mortgage or has the same priority as the mortgage. You must give us a copy of all of the documents relating to the property that are in your possession or control affecting the title (except those available in the land registration office), including surveys.

4.14.2.4 You promise that the real estate conforms to every description or plan given to us, and that it includes all buildings and improvements in every description. If your interest in the property is subject to an encumbrance, you promise that the encumbrance conforms to every description given to us.

4.15 **Discharge.** When the payment obligations have been paid on the dates they were due and in accordance with their terms, and you ask us in writing to do so, we must give a discharge of the mortgage and a reassignment to you any rights that you have assigned to us in the mortgage. Or, if you are entitled to and do require us to assign the mortgage and rights to someone else, we must do so. You must give us a reasonable time after payment to verify our records and complete the discharge or assignment. You must pay our costs for doing what this section requires. You are responsible for registering the discharge or assignment.

5. Condominium and leasehold property.

5.1 Condominium.

5.1.1 **Meaning of terms used.** In this part, **condominium law** is a condominium, strata or similar law. A **unit** is land that is a unit governed by a condominium law, or that is a part that you have a right to occupy, or from which you have the right to income, of real estate held by or for more than one person or by a corporation. A **complex** is the land governed by the condominium law of which real estate is a part, or of which a unit is a part. **Documents** are documents by which the complex or part of it is governed, for example, a declaration, bylaw, resolution, regulation, rule or agreement. The **entity** is a person, partnership, trust, association, syndicate or other body holding or managing the complex. **Common expenses** are the expenses, contributions to reserves or other payments that the condominium law or the documents require you to pay. Where the condominium law or the documents impose an obligation on or give a right to an owner of your interest in the real estate but do not treat you as the owner of the interest, or impose obligations of an owner on us, you will for the purpose of the mortgage be treated as the owner under the law or documents. Where under the terms in this section a thing is to be substantial, it is so where it is in fact so or the condominium law treats it as so.

5.1.2 **Where this section applies.** This section applies where real estate is governed by a condominium law when the mortgage is given or becomes so governed after then, or is or becomes a unit. All of the other terms of the mortgage apply, except where stated below. We do not consent to real estate becoming governed by a condominium law.

5.1.3 **Our security.**

5.1.3.1 Our security on land or an interest in land includes an interest that, under the condominium law or documents, goes along with the land or interest or is to go along with it. Where your interest in property is as a tenant under a lease, the terms that apply to our security are those in this part under the heading **Leasehold property**.

5.1.3.2 Except where your interest in property is as a tenant under a lease, you transfer to us the benefit of, and irrevocably appoint us your attorney to exercise, all your rights relating to the complex. In particular, we may exercise your right to vote or consent, or to require or call a meeting. The rights include a right to proceeds of a sale, expropriation or insurance; a right to fair market value after a sale; and a right to assets of the entity. If we give you instructions about how we require you to exercise a right of yours, you must follow the instructions. When we exercise a right of yours, or give instructions, under this part, that does not mean that we have taken possession of property. We have no obligation to exercise any of your rights.

5.1.4 **Voting**. If we arrange for you to vote, we may at any time cancel the arrangement. You must give us written notice if you are asked to exercise the rights listed below and you must not exercise those rights without first obtaining our written consent. The rights are to give a consent (as distinct from voting); to vote on anything that requires more than a simple majority of those present at a meeting; to have any interest of yours purchased, dealt with or changed; or to receive assets or a payment from the entity. You must not without our prior written consent vote for any action that might reduce the value of your unit or interest or our security. Where we are not in a position to exercise your right to vote, you may do so, provided you comply with these terms.

5.1.5 **Insurance**. The entity may be responsible for insurance that the mortgage requires. Despite this, you must comply with all of your obligations under other terms of the mortgage as to insurance as far as the entity does not in fact comply with the obligations. However, the amount of your insurance for a building need only be your share of the cost of replacing it. We will regard the entity as having complied even though its insurance limits our rights as the holder of a mortgage, provided that the law or the documents impose the limit despite anything you and we have agreed to. We have the rights as to insurance given to us by other terms of the mortgage. For example, if we have a valid requirement to which the entity's insurance does not conform, you must insure in conformity with our requirement. Where the entity's insurance does not cover an improvement, your own insurance must cover it. We may require you to insure against risk caused by a failure of the entity to insure.

5.1.6 **Common expenses.** Your obligation under the terms of the mortgage to pay taxes and other charges extends to common expenses. Whenever we ask in writing, you must allow us to pay the common expenses. The terms of the mortgage as to our paying property taxes apply to common expenses with the necessary changes. When we pay a common expense, we can rely on any statement that appears to be issued by the entity showing the amount of the common expense and the date it is due.

5.1.7 **Maintenance**. The entity may be responsible for repairs or replacements that the mortgage requires. Despite this, you must comply with your obligations under other terms of the mortgage as to repair or replacement as far as you have the right to do so. Where the entity is not responsible for repairing or replacing an improvement, you must keep it in good repair or replace it if it cannot be repaired.

5.1.8 **Other obligations.** You must comply with all of your obligations under the condominium law and the documents. Your obligations under the condominium law include obligations that the condominium law causes you to enter. You must give us any proof of compliance that we reasonably ask in writing for. You must not do anything that materially increases your obligations under the condominium law and the documents.

5.1.9 **Notice and information**. You must give the entity and others notice of the mortgage in a way that protects our right to vote, our rights in insurance and our other rights. You must forward to us a copy of notices, assessments, bylaws, rules, financial statements and other documents that you receive from the entity. You must if we ask in writing give us any information or document that you are entitled to obtain from the entity. You authorize us to obtain any information or document from the entity.

5.1.10 **Our costs.** You must pay us our costs relating to the following. A bylaw, resolution, rule or other matter (other than a resolution for which only a majority present at a meeting is required). The enforcement of a right to have the entity or another owner comply with the condominium law or the documents. And our exercising rights to vote or consent.

5.1.11 **Immediate payment if certain events occur.** We may require immediate payment of payment obligations, if any of the following events occurs. The entity fails to comply with a material obligation under the condominium law or the documents. A court makes a judgment or order against the entity. The entity in our opinion seriously fails to manage the complex in a prudent manner. A court appoints an inspector, administrator or similar officer under the condominium law. The entity becomes insolvent (and that term has the meaning given in Part 7 under the heading **When we can enforce the security**). An amount is added to the common expenses that is not added to the common expenses of all owners, or a step is taken for that. Substantial work is started on the complex, or there is a substantial increase in the common expenses or a substantial decrease in the services that the entity provides, or a step is taken for any of those things. An obligation of an owner of your interest in the real estate is enforced against us, or a step is taken for that. There is substantial damage to the complex. There is a material change to any of the documents, or a step is taken for that. The complex or part of it ceases to be governed by the condominium law or the documents, or is sold or expropriated, or the entity is amalgamated, or a step is taken for any of those things. Or the entity passes a resolution or makes a decision for which more than a simple majority present at a meeting is required. We may require immediate payment even if we voted for or consented to any of the above.

5.1.12 **Your transfers.** Before you transfer your interest in the real estate, you must have the transferee agree with us to comply with the terms of this part.

5.2 **Leasehold property.** The following terms apply where we would have received security under part 4 if your interest in the property had not been as a tenant under a lease. They also apply where you give us security over property in which your interest is as a tenant under a lease.

5.2.1 **Lease.** We refer in this section to the lease to you as the **lease**. In this section lease does not include the other agreements referred to in the definition of lease in part 9. We refer to the property leased by the lease as the **leased property**. We refer to your interest in the leased property as a tenant under the lease as your **leasehold interest**.

5.2.2 **How the mortgage applies to a leasehold interest.** You do not grant, mortgage, charge, assign, bargain, sell, or release all your claims on, the leased property or lease to us under part 4; instead you give us the security provided for below. No assignment of rights in part 4 applies to your leasehold interest or the lease. All other terms of the mortgage apply to the leased property. However, if the lease gives you both a leasehold interest and some other interest in the leased property, this section applies to the leasehold interest and part 4 applies to the other interest.

5.2.3 **Our security.** You grant us the following security over the leased property. Except as set out in the next sentence, you mortgage or charge the leasehold interest to us. But, where the effect of the previous sentence, or any other term of the mortgage, would be to assign your leasehold interest to us, the sentence or term does not apply. You sublease the leased property to us for the rest of the term of the lease, except the last day of the term. Because you have not assigned the lease to us, your giving us the security does not put us under an obligation to your landlord to comply with your obligations under the lease. Although you have not assigned the lease to us, you must hold your remaining leasehold interest in trust for us. You must, when we can enforce the security, dispose of or deal with your interest under the lease, as we require. We may at any time after we can enforce the security appoint anyone as a new trustee in place of you or any other trustee, and we may use every power given by law to a person who appoints a new trustee to transfer the leasehold interest to the new trustee.

5.2.4 **Landlord's interest.** You agree that, even if you acquire the landlord's interest under the lease, the lease will continue to exist. If you have a right when the mortgage is given or after then to acquire the interest of any landlord in the leased property, you must give us security over the interest.

5.2.5 **Renewal.** If you have an option to renew or extend the lease, you must exercise the option and do everything needed to obtain the new lease or extension. If you have a right when the mortgage is given or after then to obtain a new lease of the leased property or to extend the lease, you must give us security over the new lease or extension.

5.2.6 **Power of attorney to us.** You irrevocably appoint us your attorney to do for you everything that this section requires you to do. We may authorize anyone to exercise this power for us.

6. Your other responsibilities.

6.1 Insurance.

6.1.1 **Kinds of insurance required.** You must insure your interest in every building and other improvement on the real estate against loss or damage by fire, extended perils and other risks normally covered by a fire insurance policy. In addition, you must carry that insurance for all of the property that a careful owner would usually carry when insuring a similar property, and using it in a similar way and in a similar locality. You must also carry any insurance that any other agreement between you and us requires you to carry. If we ask in writing, you must carry any kind of insurance relating to the property that we reasonably require you to carry.

6.1.2 **Insurance against damage.** Your insurance against loss of or damage to a building or other property must be for the cost in Canadian dollars of replacing all of the building or property with a similar building or property. The policy must provide that the proceeds of any loss are payable to us and the insurer must, if we ask in writing, consent to the transfer of the benefit of the policy to us. Insurance on a building must contain a mortgage clause in the standard form approved by the Insurance Bureau of Canada. The policy must also contain any other usual term for the protection of the holder of a mortgage and a provision for us to receive at least 30 days notice before the policy is cancelled or materially altered.

6.1.3 **Company and terms.** All insurance required by the mortgage must be with a reputable insurer. If we ask in writing, insurance must be with an insurer we reasonably require. The policy must be for an amount and contain terms that a careful owner would usually require when insuring similar property, using it in a similar way and in a similar locality. If we ask in writing, the policy must also be for any amount or contain any other terms that we reasonably require. If we at any time ask in writing, you must cancel a policy and replace it with a policy approved by us and issued by an insurer approved by us.

6.1.4 **Compliance**. You must promptly pay the premiums and other costs for all insurance required by the mortgage, comply with all of your obligations in relation to the policy and comply with all of the terms relating to your right to collect under the policy. You must, if we ask in writing, ensure that we receive a certified copy of every policy for the insurance required by the mortgage and every amendment to the policy. Where a policy expires, you must, if we ask in writing, ensure that we receive proof of the renewal or replacement at least 30 days before the expiry. You must also, if we ask in writing, provide us with a receipt for the premium and other proof that you are complying with your obligations as to insurance.

6.1.5 **Claims and proceeds.** If any of the property that is insured is lost or damaged, you must notify us in writing, make a claim in accordance with the insurance policy, and ensure that the proceeds are paid to us. Despite the loss or damage, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Despite any law, we may require the proceeds of all insurance against loss of or damage to property (including income) to be used either to reduce or pay payment obligations (even though they may not then have become payable), or to restore or replace the property, or partly in one way and partly in the other.

6.1.6 **Our right to insure.** If you do not comply with any of your obligations as to insurance in the mortgage, we may obtain any insurance that the mortgage requires you to obtain or any insurance that we think is needed to protect our interest. We are not obliged to do so and have no responsibility to you for any insurance we obtain. Anything we pay under this subsection is a cost that you must pay.

6.2 **Taxes and other charges.**

6.2.1 **Payment by you.** You must pay all property taxes when they are due. You must pay all other charges on the property when they are due. The charges include amounts under an encumbrance on the property. If we ask in writing you must give us a receipt or other proof that you have paid every property tax and other charge.

6.2.2 **Payment by us.** Whenever we ask in writing, you must allow us to pay the property taxes on the real estate. You must then promptly forward to us all bills for property taxes that you receive. We may decide to pay property taxes once or twice a year in advance, even if they can be paid more frequently. We may pay the property taxes in two ways. Under the first, we may debit an account of yours with each payment. Under the second, we may require you to pay instalments to us to enable us to pay property taxes. We may estimate the amount needed to pay any property taxes and decide when to pay them. We may choose the period over which we wish to collect instalments. We may then require you to pay us the estimated property taxes by instalments at any intervals that we choose. If the period started before we began collecting the instalments, we may require you to pay a lump sum to cover previous instalments. We must use the instalments to pay the property taxes. However, if any of the payment obligations has not been complied with, we may use the instalments to reduce the payment obligations. If we have not collected enough to pay the property taxes, you must pay the shortfall when we ask in writing for it, or we may debit an account of yours with it. We need not credit you with interest on the instalments except in accordance with our general administrative practice at the time for the same kind of mortgage.

6.3 **Maintenance and replacement of property.** You must put and keep the property in good repair. You must restore or replace property that cannot be repaired.

6.4 **Alterations or additions.** You must not, without our prior written approval do any of the following things, even if the work was proposed or in progress when the mortgage was given. Make or permit a structural alteration, structural addition or major change to the real estate. Remove any machinery or equipment that serves a building on the real estate. Demolish a building on the real estate. Or do or permit anyone else to do anything that lowers the value of the real estate. We may make our approval subject to conditions.

6.5 **Work on real estate.** Where you do work on the real estate, you must comply with the following obligations. You must do the work in a good and workmanlike manner, using good materials. You must conform to any contracts, plans, specifications or other description that we may have approved, and you must comply with any conditions to which our approval is subject. You must do the work with reasonable speed and without interruption until it is completed, and you must not abandon it.

6.6 **Liens.** You must comply with all your legal obligations as to payment for any work on the real estate and you must comply with laws relating to encumbrances of those who do the work. If a claim is made for an encumbrance against your interest in the real estate, you must if we ask in writing immediately have it removed, by court order if necessary. If you fail to do so, we may have the encumbrance removed and provide any security needed for the purpose. Anything we pay under this section is a cost that you must pay.

6.7 **Obligations affecting property.** You must comply with every covenant, condition and other obligation that affects your interest in the property. If your interest in the property is subject to an encumbrance, they include those under the encumbrance. If property is leased to you, they include those under the lease. You agree that nothing will be done or omitted under them that might impair your interest in the property. This includes anything that could accelerate an amount owing under an encumbrance.

6.8 **Preferred claims.** This section applies to a preferred claim. This is an amount to which any of our rights under the mortgage is or may become subject, which takes or may take away any of those rights or which impairs or may impair those rights. It includes an amount that does or may do so in any of the following ways, for example. It causes a lien, implied lien, charge, trust, deemed trust or other claim on the property, or on the income or any other benefit from the property. It prevents us from receiving, or a receiver, manager from giving us, the full benefit of our security. It runs with the property or imposes an obligation on anyone who acquires an interest in the property from us. Or it may allow a person supplying an important service for the property to cut off the service. You must pay every preferred claim when it is due. If the claim became due before the mortgage was given and is unpaid, you must pay it immediately. Where anything that you do may create a preferred claim in the future, you must set and keep money aside to pay the claim.

6.9 **Legal requirements and environmental.** You must ensure that the property and its use comply with every law. You must not put or allow anyone else to put a pollutant in or on any part of the real estate (including water) that causes or is likely to cause harm to the life or health of a human being. You must not, without our prior written approval, use the real estate or allow it to be used, in a way that creates or increases a risk of a breach of this section, even if the use was proposed or in progress when the mortgage was given. We may make our approval subject to conditions, including security for clean-up costs, and you must comply with those conditions. You must give us prompt written notice of any material fact of which you become aware and which relates to the status of the real estate under any law or to any pollutant on or in the real estate, and a copy of any report that you prepare or receive on that. You agree to pay to the persons described below all loss that they suffer and that is caused by any of the causes listed below, and the persons are not liable to you for any loss so caused. The loss includes loss from a liability or from a cost relating to the liability. The causes are a breach of any law relating to the real estate or its use, or a pollutant in or on the real estate (including water), even if the breach occurred, or the pollutant was in or on the real estate, when the mortgage was given. The persons are as follows. Us, a person for whom we hold the payment obligations, a person for whose benefit we or the person hold any of the payment obligations, and a receiver or receiver and manager appointed under the mortgage. A shareholder, director, officer, employee and agent of us, the person or the receiver or receiver and manager. And an heir, legal representative, successor or assignee of anyone listed in the previous two sentences. This section does not limit a right of us or a person who benefits under this section under any other term of the mortgage.

6.10 **Entering into leases.** Before entering into a lease of the real estate, you must obtain our written approval to the lease. Our approving a lease does not mean that our interest is bound by it.

6.11 **Proceedings affecting the property.** You must immediately notify us in writing if you or anyone else takes or threatens any action under any law or encumbrance relating to the property. This includes anyone taking a step to enforce a claim for work on the real estate, a court action, a proceeding before an administrative body (such as a zoning hearing or environmental assessment), an official action (such as an expropriation or order to comply with a bylaw), or a notice of default under an encumbrance.

6.12 **Our rights to inspect and get reports, including environmental.** We may at any time, before or after we can enforce the security, inspect the real estate, make appraisals of it, make tests of it, take samples from it, conduct environmental testing of it, or monitor any activity on it. We may have another person do these things for us. Where a person has done any of the things for you, you consent to the person doing them for us or giving us any information. You must permit us and anyone we authorize to enter the real estate at reasonable times, before or after default and for any purpose we think is necessary. You must pay us our reasonable costs for exercising our powers under this section when we ask in writing for them. Exercising the powers in this section does not put us or our agent in possession, management or control of the real estate. Nor does it give you any rights against us or a person we have to do the things for us. This section does not limit any other right of ours under the mortgage.

6.13 **Your giving us proof.** Where the mortgage requires you to make a payment to anyone other than us, or comply with another obligation, you must if we ask give us proof that you have made the payment or complied. You must do so within a reasonable time, and in any event within 30 days.

6.14 **Your giving us information.** You must give us and anyone we authorize any financial, tax or other information that you have or can reasonably obtain and that we ask for in writing, about the following. About you, everyone who is responsible for payment obligations, every guarantor and, where property is held by a trustee, every beneficial owner. About the property. Or about how you are complying with your obligations. You authorize anyone else to give us that information. You must permit us and anyone we authorize to inspect the information at reasonable times and make a copy of it.

6.15 **No change in use of real estate.** You must not, without our prior written approval, make a major change in the use of the real estate. You must not abandon the real estate or leave a building on it vacant.

6.16 **Other agreements.** You must comply with your obligations to us under any other agreement that relates to payment obligations.

7. Enforcing security.

7.1 **When we can enforce the security.** We can enforce the security after any of the events listed below has occurred. We can do so even if the cause of the event is outside anyone's control. We can do so without presentment, protest, demand or notice, all of which you waive. If you are more than one person, an event for each person is an event of default for both or all of you. The events are:

7.1.1 A payment, or part of a payment, under any of the payment obligations is not made when it is due. This applies whether the amount is due on demand or a fixed date and by acceleration or otherwise.

7.1.2 Any other obligation to us under the mortgage is not complied with. Or where you are to do or not to do something, on or to the property, or as to its use, another person does the thing.

7.1.3 Anything happens that impairs any of our security or any interest of yours in the property.

7.1.4 Any of the promises made, or information given, to us under or in connection with the mortgage is materially incorrect or incomplete. A promise or information may have been limited to what the person who made or gave it knew. However, we can enforce the security if we find that the matters in the promise or information are materially incorrect, even though the person making the promise or giving the information did not know that it was incorrect, or had done what was reasonable to verify it.

7.1.5 Any obligation to us under any other agreement that relates to payment obligations is not complied with, or an event of default occurs under such an agreement.

7.1.6 At any time during the mortgage the property or its use does not comply substantially with every law. Or a part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being.

7.1.7 You become insolvent (or, if you are more than one person, any of you does). Or anyone who is responsible for all or part of the payment obligations becomes insolvent, including a guarantor or indemnifier. A person becomes insolvent when any of the following happens. The person becomes a bankrupt or an insolvent, or is found in a legal process to be bankrupt or insolvent. The person makes an assignment for the benefit of creditors. Anyone enforces a judgment, distress or similar process against an asset of the person. A liquidator, receiver, trustee or similar officer is appointed for all or part of the person's assets or income. The person or anyone else starts a bankruptcy, arrangement or readjustment of debt, dissolution, liquidation or similar proceeding relating to the person under any law, including a proposal. And the person admits in writing the person's inability to pay the person's debts as they become due.

7.1.8 Any other event occurs after which the mortgage says we can enforce the security.

7.2 **We may require obligations to be paid immediately.** When we can enforce the security, we may require immediate payment of all payment obligations (including obligations that have not become payable). The obligation to make the payment is however subject to any provision of a law which applies despite what you and we have agreed to in this section and which gives you a right to avoid the consequences of this requirement.

7.3 **We may take action.** We may take legal action to collect the payment obligations.

7.4 **We may take possession.** When we can enforce the security, we may take possession of the property.

7.5 **We may collect income.** When we can enforce the security, we may collect income from the property.

7.6 **We may sell.** When we can enforce the security, we may sell or dispose of the interest in the property covered by our security, without going to court. We may also ask a court to order a sale of that interest.

7.7 **We may divide property.** When we are in a position to sell the interest in the property covered by our security, we may, if any other person also has an interest in the property, agree with that person to divide the property between persons who have interests in it or to acquire an interest of the person. We may pay or receive money for the purpose and money we pay is a cost that you must pay.

7.8 **We may exercise the powers of an owner.** When we take possession of or collect income from the property we may exercise all the powers of an owner of the interest in the property covered by our security and you are bound by our actions. These powers include the following. We may manage and operate the property and carry on a business relating to the property. We may make or continue a repair, alteration or addition to the property. We may take legal proceedings relating to the property. We may borrow money or advance money for the purpose of exercising our powers. We may enter into contracts for the purpose of exercising our powers.

7.9 **We may appoint a receiver (or receiver and manager).**

7.9.1 **Appointment and removal.** When we can enforce the security, we may in writing appoint anyone to be a receiver or a receiver and manager as to the property, on any terms, including remuneration, that we think are reasonable. References in the mortgage to a receiver include a receiver and manager. We need not obtain security from the receiver and are not limited by any law in our choice of the receiver. We may make the appointment even if we have taken possession of property and, when we do so, we will be treated as having gone out of possession. We may also in writing remove a receiver appointed by us. When we remove a receiver, we may appoint a new receiver. We may also ask a court to appoint a receiver.

7.9.2 **Effect of appointment.** A receiver appointed by us is considered to be your agent and not ours; the receiver's acts and defaults are considered your acts and defaults and not ours; and you alone are responsible for the receiver's acts and defaults. Neither the appointment nor anything done by the receiver puts us in possession of property or makes us accountable for money except money we actually receive. You release every receiver appointed by us from all claims against the receiver as receiver, unless they are caused by the receiver's dishonesty or gross neglect. You agree to pay every receiver all losses suffered by the receiver under liabilities the receiver incurs as receiver, except as far as they are caused by the receiver's dishonesty or gross neglect.

7.9.3 **Receiver's powers.** A receiver appointed by us has the following powers. The receiver may exercise any right or power that we can exercise, except where the appointment restricts the receiver from exercising a right or power. The receiver may use any legal right or remedy of yours or ours, in your name or ours, to collect income from the property. The receiver may borrow money on the security of the interest in the property covered by our security in priority to the mortgage for the purpose of exercising the receiver's powers. We may require the receiver to pay money received to us, or we may direct the receiver to use it as follows. To pay the receiver's remuneration and expenses. To pay rents, property taxes, insurance premiums, costs of repair and other expenses relating to the property. To pay money owing under an encumbrance having priority over the mortgage. To pay or reduce any of the payment obligations. To pay any of the money that remains to the person who, if the receiver had not been appointed, would have been entitled to it.

7.10 **We may lease.** When we can enforce the security, we may do the following things. We may grant a lease. We may terminate a lease, accept a surrender of a lease or agree to amend a lease.

7.11 **We may become the owner.** When we can enforce the security, we may take proceedings to foreclose your right to redeem the real estate, and ourselves become the owner of the interest in the property covered by our security.

7.12 **We may ourselves carry out an obligation of yours.** When we can enforce the security, we may carry out any obligation with which you have failed to comply. We or anyone we authorize may enter the real estate for the purpose. We may pay an amount under an encumbrance on the property, if we decide it has priority over the mortgage, or a property tax. We may prepay the encumbrance and compensate its holder. We may settle with the holder the amount to be paid and any compensation. Nothing we do under this section puts us in possession of the interest in the property covered by our security. Anything we pay under this section is a cost that you must pay.

7.13 **We may distrain.** When we can enforce the security, we may distrain for arrears of payment obligations, as if they were rent and the real estate was leased to you. The arrears include, not only interest, but also principal, taxes and costs. The right to distrain is a right to take and dispose of goods. Our power is subject to any law that applies despite what you and we have agreed to, for example, where the real estate is a home. You waive any exemption from our right to distrain and any limit on it. Distraining does not put us in possession of the real estate and we need account only for money we actually receive. The right can be exercised by anyone who, after the mortgage is given, becomes the holder of the mortgage.

7.14 **We may consolidate another mortgage.** Where a principle of equity would give us a right to refuse a discharge of the mortgage, until another mortgage is paid (that is, to consolidate mortgages), you agree that we have the right despite any statute.

7.15 **We may recover costs.** You must pay us all our expenses and costs in collecting under the payment obligations and exercising our rights under the mortgage, even if we do not completely do so.

7.16 **Your privileges end.** While we can enforce the security, you do not have the benefit any right not to comply with a term of the mortgage, or the benefit any other privilege of yours, under the terms of the mortgage.

7.17 **How we may exercise our powers.** When we exercise any of our powers under the mortgage, the following terms apply.

7.17.1 We may exercise the power as to all or part of the property or as to any interest in all or part of the property. We may exercise the power without obtaining any consent or cooperation from you. We may exercise the power in your name or ours. We may exercise the power even if we have not taken possession of the property. We may exercise the power to enter into a sale, lease or other transaction in any way and on any terms that we think are reasonable. For example, we may do so by private contract as well as by public auction or tender, and we may sell on credit as well as for cash. If we sell on credit, we need not account for the proceeds until we receive them.

7.17.2 We may do everything that we think proper relating to a sale, lease or other transaction. For example, we may enter into an agreement to enter into the transaction, bring an agreement to an end, enter into a new agreement or amend an agreement. At an auction we may set a reserve price or buy in to prevent a sale that we think is inappropriate. We may give all documents that we think are necessary for the above purposes.

7.17.3 We may transfer or deal in any other way with every interest in the property that you had the power to dispose of or deal with. You must at our request do everything that we think is necessary or advisable to transfer your interest in the property or deal in any other way with it and you must pay our costs for that. You irrevocably appoint us as your attorney to do at any time anything we decide is needed or desirable to exercise a right under the mortgage. Wherever you appoint us as your attorney, you also appoint anyone we authorize or substitute, as your attorney for the same purpose.

7.17.4 Where your interest in property is a right, or is affected by an obligation, we may decide or settle a question as to the right or obligation.

7.17.5 Where a receiver exercises a right or power, this section applies as if all references to us were to the receiver.

7.18 **Other terms relating to our rights.**

7.18.1 **Legal powers.** Where a power that the mortgage gives to us goes beyond what is permitted by a law that applies despite what you and we have agreed to, we have the power as far as that law permits.

7.18.2 **Legal requirements apply.** Our rights in the mortgage are subject to our giving any notice or taking any other step that is required by a law that applies despite what you and we have agreed to. Subject to this and to the other terms of the mortgage, we can enforce our security without giving any notice or taking any other step.

7.18.3 **Other rights.** The rights set out in the mortgage are not exhaustive; we may exercise any other right given to us by the mortgage, any other agreement, or the law. We may exercise more than one of the rights given to us by the mortgage, any other agreement, or the law, at the same time, at different times and in any order we choose.

7.18.4 **Use of proceeds.** We may use money that we receive from enforcing the security to reduce or pay any of the payment obligations in whatever way we decide.

7.18.5 **Shortfall.** If money we receive from enforcing the security falls short of the total payment obligations owing, we retain the right to recover the shortfall.

7.19 **Things left on the real estate.** If, when we enforce the security over real estate, there is anything on it over which we do not have security, you must pay a reasonable charge for storing the thing. You must also pay any costs we incur for it. We may remove it from the real estate. We may sell it. We are not liable for loss of it or damage to it, however caused, even if intentionally or by gross negligence.

7.20 **Protection of persons who deal with us or a receiver.**

7.20.1 When we sell, grant a lease, collect income or enter into any other kind of transaction authorized by the mortgage with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered and that the transaction is of a kind that we have the power to enter. When a receiver appointed by us enters into any kind of transaction with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered, that we have entered a document purporting to appoint the receiver, that the transaction is of a kind that we have the power to enter and that the transaction is not of a kind that the document entered by us restricts the receiver from entering. A statutory declaration by us or an officer of ours as to any fact set out in this subsection is conclusive evidence in favour of every person referred to above. Every such person may assume without inquiry that we can enforce the security, that we are using our powers properly and that the receiver is using the receiver's powers properly. The person is not affected by the fact that a transaction is improper, even if the person actually knows of the fact. In particular, the person may do the following things. The person may assume that there are outstanding payment obligations under the mortgage. The person may assume that an event has occurred which puts us in a position where we can enforce the security, that we have given any required notice and that any required time has passed. Where we or the receiver can enforce the security on terms that we or the receiver think are reasonable, the person may assume that the terms on which we or the receiver enforce the security are reasonable. The person may pay money to us or the receiver without being concerned about what we or the receiver do with it.

7.20.2 Any transaction that conforms to the previous subsection binds you. You must not make any claim against the person who deals with us or the receiver or that person's successors on the ground that the transaction does not conform to other terms of the mortgage. If you do have a claim for anything done by us, it is restricted to a claim for compensation against us, and is subject to all terms limiting our liability.

7.21 **Our protection.** We are not responsible for any loss arising in the course of our enforcing the security or exercising a right under any other term of the mortgage, even if it was caused by negligence, unless it results from our dishonesty or our gross neglect.

7.22 **Terms included by law.** Subsection 7(1) of the *Land Registration Reform Act* includes terms in a mortgage unless the mortgage excludes them. Neither those terms nor any similar terms in any future law are included in the mortgage.

8. Other terms.

8.1 **Additional terms as to our obligation to lend (including terms as to liens).** Our taking the mortgage, or our advancing money under it, does not put us under an obligation to lend money or to extend credit. Nor does it add to any such obligation that we may have. Despite any agreement, we need not lend money or extend credit while we can enforce the security. Or while we could have enforced the security if we had not been required to give notice or allow time to pass. Despite any agreement, we may reduce an amount we must lend, or for which we must extend credit, by what we think is needed to remove a prior encumbrance. We may do this only where our security is to have priority over the encumbrance and we think it may not, for example, where you are constructing a building and we think a lien may have priority.

8.2 **Effect of law or other transactions.** The mortgage adds to our rights. Nothing in the mortgage takes away or reduces our rights under any law or other transaction. Nothing in any other transaction between you and us takes away or reduces our rights under the mortgage. If there is a conflict between the mortgage and a law or another transaction, it must be resolved to give us the rights under both or, where there is a conflict, the better rights. Subject to the above, the terms of an agreement for the mortgage continue in force (and do not merge into the mortgage).

8.3 **Effect of your selling or dealing with the property.** If you sell or deal in any other way with your interest in the property or part of it, you continue to be liable for your obligations under the mortgage, and our rights against you or anyone else are not affected. Nothing that we do in connection with a sale or dealing (including our having a buyer agree to assume a liability or give us a guarantee or indemnity) impairs those rights.

8.4 **Your obligation to notify us after a transfer.** After a transfer of the interest in the real estate or any part of it of an owner or beneficial owner, you must promptly notify us in writing of the transfer. The notice must include the date of the transfer, the price or consideration, the full name and address of every transferee and where the transferee is a trustee, the same information for a beneficial owner.

8.5 **Effect of subdivision of the real estate.** If any of the real estate is divided into a lot, condominium unit or other part, every part of the property secures the total payment obligations. This section applies whether the division exists when the mortgage is given, or takes place after then. The obligations must not be apportioned to parts of the real estate. You cannot require us to discharge a part of the real estate for part of the payment obligations. You waive any right given to you by law that is inconsistent with this section.

8.6 **Effect of our giving releases or discharges.** If we release anyone from an obligation or if we release any security, our rights against anyone else or under any other security are not affected. This applies when we agree to extend the time for payment of any of the payment obligations or to change their terms in any other way. It also applies when we discharge part of the property from the mortgage; if we do, the property not discharged secures the total payment obligations that remain owing. This section applies whatever are the terms on which we give the release or discharge and even if we receive nothing in return. We are not liable to you for the release or discharge, except to account to you for money that we both actually receive and accept to reduce the payment obligations.

8.7 **Effect of our delaying enforcing the security or waiving rights.** If we delay enforcing a right under the mortgage or any other agreement, or do not exercise the right, or do not exercise a right against anyone, we do not lose or impair the right or any other right. If we waive a breach of any obligation under the mortgage or any other agreement, we do not lose a right of ours in respect of any other breach of the obligation. If we waive a right, we do not lose or impair any other right of ours. We are not bound by an agreement that contains a waiver unless it is in writing and is signed by us.

8.8 **Effect of our dealings with future owners.** After the mortgage is given, a person may become an owner of the property and we may enter into an agreement with that person extending the time for payment of the payment obligations or changing the payment obligations in some other way. If so, we do not lose or impair our rights against anyone who had agreed to pay or had guaranteed the payment obligations or given an indemnity. The same applies if we deal in any other way with a new owner or deal in any way with any other person who has an interest in the property or part of it.

8.9 **Effect of our obtaining a judgment.** If we obtain a court judgment for a failure to pay any of the payment obligations or to perform any other obligation, the judgment does not supersede the obligation, or impair the obligation or our right to enforce our security. We continue to be entitled to interest under the payment obligations, calculated and payable as agreed, and the judgment may so provide.

8.10 **Effect of our paying security.** If we pay an amount under an encumbrance on the property, we not only have the rights given to us by the mortgage, but we are also entitled to the rights of the person paid. If a person paid gives a discharge, we may hold it, without registering it, for longer than any period during which any law might otherwise require us to register it.

8.11 **Your liability.** Where more than one of you are liable for an obligation under the mortgage, both or all of you are jointly and severally liable for the obligation.

8.12 **Your spouse.** While any existing or future law gives your spouse any right if we enforce the security, you must keep us informed in writing of the full name and address of the spouse. Spouse includes anyone whom the law treats like a spouse for the purpose of the security.

8.13 **Effect of expropriation.** This section applies where all or part of your interest in all or part of the real estate is expropriated, that is, taken without your consent by a government or anyone else in the exercise of a statutory power. It also applies where there is "injurious affection" to all or part of your interest in all or part of the real estate, that is where its value is reduced by an expropriation or other action under a statutory power. Despite an expropriation or injurious affection, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Our security under the section headed **Other rights**, in the part headed **Our security**, also covers the benefit of your rights to compensation for the expropriation or injurious affection. We may require all or part of the compensation to be used to reduce or pay payment obligations (even though they may not then have become payable). The events after which we can enforce the security under the section headed **When we can enforce the security** include the expropriation or injurious affection.

8.14 **How the mortgage is affected if a term is invalid or unenforceable.** If a term of the mortgage is or becomes invalid or unenforceable, that does not make the mortgage or other terms invalid or unenforceable. If our security is invalid or unenforceable as to part of the property or an interest in property, it remains valid or enforceable as to the remaining part or interest. If the mortgage is or becomes invalid or unenforceable as to any payment obligations, that does not make the mortgage invalid or unenforceable as to other payment obligations.

8.15 **Changes to the mortgage must be in writing.** We are not bound by any change to the terms of the mortgage that detracts from our rights unless it is in writing and signed by us.

8.16 **Your responsibility.** A right of ours under the mortgage does not relieve you from a duty as to the property or put a duty on us. Nor does our exercising the right. In particular, the right or exercise does not mean that we take over a duty based on possession, management or control. This section does not limit our rights.

8.17 **We assume no additional responsibility.** Nothing we do relating to the mortgage puts us under a duty of care towards you. You should not rely, for example, on an appraisal we make as showing the value of property, on our requiring insurance as showing that it is appropriate, on an inspection as showing that property is without defect, or on our approving a lease as showing that it is advisable.

8.18 **Notices or other communications.**

8.18.1 **How we may give notices.** Where the mortgage requires or allows us to give a notice in writing to any person (including you) or to communicate in any other way in writing with any person (including you), we may give the notice or communication in any of the following ways. We may deliver it personally to the person. If the person is a corporation or partnership, we may deliver it personally to anyone we reasonably believe to be a director, officer, general partner or responsible employee or agent of the corporation or partnership. We may leave it at the person's address last known to us with a grown-up person there or in a place where it should reasonably be seen by anyone at that address. We may mail it by prepaid mail addressed to the person at the person's mailing address last known to us, and we may choose whether to send it by ordinary, certified or registered mail. Every party to the mortgage consents to our providing it in an electronic form (including fax) to any person or, if the person is a corporation or partnership, to a director or other person described above. We may advertise it in a newspaper published or generally read in the area where any part of the real estate is situated.

8.18.2 **Time of receipt.** A notice or communication delivered, left or advertised in any of the ways set out above is regarded as given to the person when it is so delivered, left or published. A notice or communication mailed as set out above is regarded as given on the fourth business day after it was mailed, whether the person actually receives it or not. If there is a mail strike on the day that it is mailed or before it would be regarded as given, the mailed notice is not given until it is delivered. A notice or communication sent by fax on a business day and before 3 p.m. in the place to which it is sent is regarded as given on that day; otherwise it is regarded as given on the next business day after it was sent. A notice or communication provided in another electronic form is given, if the person (including a director or other person) has designated an information system for the purpose of receiving information, or has used an information system for the purpose of sending us information, when it enters the system last so used and becomes capable of being retrieved and processed by the person.

8.18.3 **Addressee.** A notice or communication is valid even though it is not addressed to anyone by name or description. It is also valid even though the person affected by it is not known, has not been identified or is under a disability.

8.18.4 **Who is entitled to a notice of communication.** Where the mortgage requires or allows us to give a notice to you or communicate with you in any other way, the notice or communication is valid if we give or make it to a person last known to us to be an owner of your interest in the real estate, as defined under **Meaning of terms used.** This is so even though the expression "you" may include others or the notice of communication relates to property other than real estate. Where there are more than one owner, the notice or communication is valid if we give or make it to either or any of them.

8.18.5 **Law.** This section does not take from us the benefit of any provision of the law dealing with a notice or communication. In particular, a notice of sale is validly given if it would be regarded as properly given under any law.

8.19 **Amendment.** We may, from time to time at our discretion, amend the terms of the mortgage as they apply generally to people who have similar mortgages with us, by giving you at least thirty days' notice of the amendment.

8.20 **Effect of transfer by us.** We may transfer or otherwise deal with the benefit of all or part of our rights, or any interest in or power relating to all or part of our rights, under the mortgage, or any guarantee or other right relating to the mortgage, free from any set-off, counterclaim or other equity or claim. You must at our expense do everything to facilitate the transfer or dealing that we may ask for in writing. If a transferee of all or part of our rights agrees with us to assume an obligation of ours relating to the rights, we are after the transfer released from liability for the obligation. We may delegate powers or responsibilities of ours, for example, to a person servicing the mortgage. When we do anything under this section, or propose to do so, we may disclose any information we have received.

8.21 **How others are affected by the mortgage.**

8.21.1 Your obligations under the mortgage are binding on, and our obligations under it benefit, a legal or personal representative, successor in interest or assignee of yours, and every other person who after the mortgage is given becomes the holder of an interest or right in the property or a part of it. Wherever the mortgage refers to you, that includes every such person, where the context allows.

8.21.2 The mortgage is binding on and benefits a legal or personal representative, successor in interest or assignee of ours, and every other person who after the mortgage is given becomes the holder of an interest or right in the mortgage or a part of it. Wherever the mortgage refers to us, that includes every such person, where the context allows. The person has the powers that the mortgage gives to us.

8.22 **Our approvals, consents and other actions.** Where under the mortgage we have a right to approve or consent to anything, or to be satisfied about anything, or to make any other decision, we have the sole discretion in exercising the right, except where the mortgage expressly provides otherwise. Where the mortgage expressly provides that we must act reasonably or in another way, we must be taken to have done so, unless you have shown us that we are acting unreasonably or not in that way. Where we act unreasonably or not in that way, we need not compensate you for any loss caused.

8.23 **Conflict between these terms and the mortgage.** If there is a conflict between any of these terms, or between these terms and the rest of the mortgage in which these terms are included, it must be resolved to give us the rights under both, or the better rights.

8.24 **Governing law.** The mortgage is governed by the law of the jurisdiction in which the real estate is located, including federal law in force in that jurisdiction. The courts of that jurisdiction have jurisdiction in matters under the mortgage.

8.25 **Consideration.** You agree that you are giving the mortgage in return for, among other things, one dollar, which you have received. Every other person entering the mortgage agrees that the person is doing so in return for, among other things, one dollar, which the person has received.

8.26 **Counterparts.** The mortgage may be signed in counterparts.

9. Meaning of terms used.

9.1 **What certain terms mean.** Terms used in the mortgage have the following meanings:

9.1.1 **Business day** means any day other than a Saturday, Sunday or public holiday in the jurisdiction in which the real estate is located.

9.1.2 **Cost** includes every payment obligation that is referred to in the mortgage, or in any agreement containing payment obligations or relating to the mortgage, as a cost, charge or expense including those that, as a result of the mortgage, the law requires you to pay.

9.1.3 **Encumbrance** includes the following. An exception, reservation or condition. Any agreement intended to create security or raise finance, including a mortgage, charge, conditional sale, lien, pledge, assignment or lease. A lease, right of way or other easement or restrictive covenant. A reversion or trust. A claim under a marriage or family law. A claim by adverse possession or use. Or any other encumbrance (as that word is ordinarily understood). It includes any of these things even if it is inchoate, potential, unregistered or unperfected or affected property before it became part of other property.

9.1.4 **Land** includes real property. It includes buildings and the other things that land includes and that are referred to in part 4.

9.1.5 **Law** includes law that is either enacted or part of the common law. Enacted law includes law made by the federal, provincial or other government, by a municipality, or by any other governmental body. Law also includes a governmental action, such as an order, notice or approval.

9.1.6 **Lease** means a lease of all or part of the real estate, an agreement to give a lease of all or part of the real estate and an agreement giving anyone a right to occupy or use all or part of the real estate (except a right of way or other easement). If there has been an agreement changing the terms of such a lease or agreement, it means the lease or agreement as so changed. Where **lease** refers to an agreement giving anyone a right to occupy or use all or part of the real estate, **landlord** means the person whose interest is subject to the right and **tenant** means the person who has the right. In all cases **lease** includes a sublease.

9.1.7 **Owner** of an interest in a property that is subject to our security means a person who would ordinarily be regarded as an owner or holder of the interest. Where there is a mortgage on the interest subsequent to ours, it excludes the holder of the mortgage, and means a person whose interest is subject to the mortgage (or last mortgage), or who holds the equity of redemption under that mortgage (or last mortgage). Where the interest is subject to a lease, it excludes the tenant. Where a person holds the interest in trust, it means the trustee, and excludes a beneficiary. When an owner or holder of an interest dies, it means the person who controls or represents the estate, and excludes a beneficiary, while the person does so. Where more than one person is an owner, it includes both or all (or either or any) of them.

9.1.8 **Payment obligations** are the obligations to pay money which are intended to be secured by the mortgage. Where the amount secured by the mortgage is limited, payment obligations are the obligations without regard to the limit.

9.1.9 **Person** includes corporation

9.1.10 **Pollutant** means a substance that can cause or probably could cause harm to the life or health of a human being. It may be a solid, liquid, gas, odour or radiation.

9.1.11 **Property** means any property an interest in which is intended to be subject to security under the mortgage. It includes real estate.

9.1.12 **Property tax** means every kind of tax, rate, duty, levy, charge, imposition, assessment and fee, general or special, on the property or any part of it or in respect of the property or any part of it, whether it is in favour of a federal, provincial or other government, a municipality, a church authority, or any other governmental body, and whether it is of a kind that exists when the mortgage is given or comes into existence after then. It does not include a tax on us in respect of our overall net income or gains or a tax in respect of a transfer by us of our interest in the mortgage or of the payment obligations.

9.1.13 **Real estate** means the land which, or an interest in which, is intended to be subject to security under the mortgage.

9.1.14 **Work** on real estate includes constructing anything that becomes part of the real estate, altering the real estate, adding to the real estate, repairing the real estate and demolishing a part of the real estate.

9.2 **Interpretation generally.** Where under the mortgage you or we promise, you or we must be taken to represent and warrant. Where under the mortgage you or we must do or not do anything, you or we agree and covenant to do or not do the thing. Where under the mortgage we may do anything, you give us the power to do the thing. Your liability under your obligations in the mortgage continues after the payment obligations have been paid or the mortgage has been discharged.

Dated April 30, 2002.

Manulife Bank of Canada
By:

Corporate Seal

Name: J. Roman Fedchyshyn
Title: President and Chief Executive Officer

Name: Jacqueline Feather
Title: Assistant Vice President

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200213 Cote
Filing Date May 14, 2002 Date de Dépôt
Page 1 of/de Twenty (20) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by General Motors Acceptance Corporation of Canada, Limited

Filing Number: 200213

Filing Date: May 14th, 2002.

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act, except to the extend that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. RECITALS

1.1 WHEREAS the Chargee has agreed to make a loan in favour of the Chargor in the Principal Sum upon the terms and conditions more particularly contained herein.

1.2 AND WHEREAS the Chargor is the registered owner of the Lands described in Box (5) of the Charge.

1.3 AND WHEREAS this charge is given by the Chargor to the Chargee as continuing security for the repayment by the Chargor to the Chargee of such indebtedness and the performance of certain obligations of the Chargor more particularly contained herein.

2. DEFINITIONS

2.1 For the purposes of this Charge including these Standard Charge Terms, the following definitions will apply:

2.1.1 "Affiliate" means, with respect to any Person, any Person that is a subsidiary of the other or both are subsidiaries of the same Person or each of them is controlled by the same Person or group of Persons. A Person shall be presumed to have control when it possesses the power, directly or indirectly, to direct, or cause the direction of, the management or policies of another Person, whether through ownership of voting securities, by contract, or otherwise.

2.1.2 "Applicable Rate" has the meaning ascribed thereto in Section 4.1.

2.1.3 "Bills" has the meaning ascribed thereto in Section 11.1.

2.1.4 "Business Day" means any day other than a Saturday, Sunday, statutory holiday or a day the head office of the Chargee is closed for business.

2.1.5 "Casualty" means any loss of or damage to any property included within the Charged Premises.

2.1.6 "Charge" means this charge/mortgage of land and all instruments supplemental hereto or in amendment or confirmation hereof.

2.1.7 "Charged Premises'" means the Lands and the Improvements.

2.1.8 "Chargee" means General Motors Acceptance Corporation of Canada, Limited and its successors and assigns, including any subsequent holder or holders of this Charge.

2.1.9 "Chargee's Address" means the address set out in Box (15) of the Charge.

2.1.10 "Chargor" means the Chargor described in Box (11) of the Charge and its successors and permitted assigns, including any subsequent owner or owners of the Charged Premises.

2.1.11 "Chargor's Address" means the address set out in Box (13) of the Charge.

2.1.12 "Dealer Agreement" means the current Dealer Sales and Service Agreement by and between the Chargor and General Motors of Canada Limited pursuant to which the Chargor, or its Affiliate, holds a licence from General Motors of Canada Limited for sale and servicing of motor vehicles and parts therefor, as such Dealer Agreement may be amended, renewed or replaced from time to time.

2.1.13 "Environmental Laws" mean all federal, provincial and local laws, whether common laws, court or administrative decisions, statutes, rules, regulations, ordinances, court orders and decrees, and administrative orders and any administrative policies or guidelines concerning action levels of a governmental authority (federal, provincial or local) now or hereafter in effect relating to the environment, public health, occupational health and safety, industrial hygiene, any Hazardous Substance (including, without limitation, the disposal, generation, manufacture, presence, processing, production, release, storage, transportation, treatment or use thereof), or the environmental conditions on, under or about the Charged Premises, as amended, and as in effect from time to time (including, without limitation, the *Environmental Protection Act*, R.S.O. 1990 c.E. 19, the *Hazardous Products Act*, R.S.C. 1985, c.H. 3, and the *Occupational Health and Safety Act*, R.S.O. 1990 c.O.1,) and any successor statutes and regulations to the foregoing.

2.1.14 "Event of Default" has the meaning ascribed thereto in Section 20.1 hereof;

2.1.15 "Event of Insolvency" means, with respect to the Chargor, the occurrence of any one of the following events:

2.1.15.1 If the Chargor shall:

2.1.15.1.1 be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the laws of Canada applicable thereto, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up Act* (Canada), or has its existence terminated or has any resolution passed therefor; or

2.1.15.1.2 make a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), or shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or

2.1.15.1.3 propose a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under the BIA or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors; or

2.1.15.1.4 be unable, for any reason, to pay its trade creditors within one hundred and twenty (120) days of the rendering of trade accounts; or

2.1.15.2 If a court of competent jurisdiction shall enter an order, judgment or decree against the Chargor in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relating to companies' bankruptcy, insolvency or other relief for or against debtors, and the Chargor shall acquiesce in the entry of such order, judgment or decree or such order, judgment or decree shall remain unvacated and unstayed for a period of sixty (60) days thereafter; or if any trustee in bankruptcy, receiver, receiver and manager, agent, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Chargor or for all or any substantial part of its property or its respective interest in the Charged Premises with the consent or acquiescence of the Chargor and where such event shall be involuntary, such proceedings are not dismissed, or such receivership or trusteeship vacated within sixty (60) days after such event or such appointment shall remain unvacated and unstayed for a period of sixty (60) days thereafter; or

2.1.15.3 If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the interest of the Chargor in the Charged Premises, or any part thereof, or if a distress or execution or any similar process be levied or enforced upon or against the same.

2.1.16 "Expropriation" means the expropriation of all or any portion of the Charged Premises as a result of the exercise by a lawful expropriation authority of the power of eminent domain or condemnation for public or quasi-public use or the sale or conveyance in good faith of all or part of the Charged Premises to such lawful expropriating authority in lieu of expropriation;

2.1.17 "Expropriation Award(s)" has the meaning ascribed thereto in Section 19.1.

2.1.18 "Expropriation Proceeds" has the meaning ascribed thereto in Section 19.1

2.1.19 "Hazardous Substance" means any of (a) all chemicals, materials, contaminants, wastes and substances defined as or included in the definition of "contaminants", "wastes", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", or "pollutants", or words of similar import under any applicable Environmental Laws; and (b) all other chemicals, materials and substances, exposure to which is prohibited, limited or regulated by any governmental authority, including, without limitation, radioactive materials, urea formaldehyde based substances, asbestos and asbestos-containing materials in any form, lead-based paint, polychlorinated biphenyls ("PCBs"), and substances and compounds containing PCBs, or dioxins of any kind;.

2.1.20 "Improvements" means the buildings, structures and improvements located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures and improvements located from time to time in, on or under the Lands and personal property, equipment and chattels now or hereafter affixed to the Lands and buildings thereon;

2.1.21 "Incident of Expropriation" has the meaning ascribed thereto in Section 19.1;

2.1.22 "Lands" means the lands and premises described in Box (5) of the Charge including all tenements, hereditaments and appurtenances thereto belonging or in any way appertaining, and the reversion or reversions, remainder or remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Chargor, of, in and to the same and of, in and to every part thereof;

2.1.23 "Loan" means the loan in the principal amount set out in the Charge, extended or to be extended by the Chargee to the Chargor to be secured by this Charge and other security given by the Chargor to the Chargee;

2.1.24 "Maturity Date" shall be that date set out in the Charge as being the Maturity Date, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of the repayment date of the Loan at the option of the Chargee;

2.1.25 "Monitor" has the meaning ascribed thereto in Section 17.1;

2.1.26 "Payment Date" has the meaning ascribed thereto in Section 4.1;

2.1.27 "Person" means an individual, corporation, firm, bank, partnership or unincorporated association;

2.1.28 "Principal" or "Principal Sum" means the amount of the Loan or that portion thereof which from time to time remains outstanding;

2.1.29 "Security" means, collectively, all further or collateral security, other than this Charge, given by the Chargor or others to the Chargee as security for the Loan;

2.1.30 "Taxes" means all real and personal property taxes, assessments, special assessments and charges levied upon or with respect to the Charged Premises, or the personal property used in operating the Charged Premises, and all taxes, levies and charges which may be assessed, levied or imposed in replacement of all or any part of real or personal property taxes, assessments, or special assessments as revenue sources, and which in whole or in part are measured or calculated by or based upon the Charged Premises or personal property used in operating the Charged Premises; and

2.1.31 "Term" means the term of this Charge and being a period which expires on the Maturity Date.

3. CHARGING PROVISIONS

3.1 Now therefore witnesseth that the Chargor, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Principal Sum to be loaned by the Chargee to the Chargor or for its benefit, and as security for the repayment of all monies owing by and the performance of the obligations of the Chargor hereunder does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Chargee in all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Chargee as hereinafter provided.

3.2 The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Chargor is hereby excepted out of the Charge granted hereby and the same shall be deemed to be a charge by way of sublease provided that the Chargor shall stand possessed of such last day in trust for the benefit of the Chargee. The Chargor shall assign and dispose of the same in such manner as the Chargee may from time to time direct in writing without cost or expense to the Chargee. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Chargee shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser, assignee, sublessee or such other acquirer of the lease, agreement to lease or any interest therein be entitled by deed or other written instrument to assign to such other person, the aforesaid residue of any such term in place of the Chargor and to vest the same freed and discharged from any obligation whatsoever respecting the same.

4. REPAYMENT

4.1 The Chargor will pay to the Chargee the Principal Sum together with interest thereon at the rate specified in the Charge, which interest rate is some times herein referred to as the "Applicable Rate". The Principal Sum and the interest thereon at the Applicable Rate shall become due and be payable in accordance with the provisions of the Charge and on such dates as are set out in the Charge (a "Payment Date" or "Payment Dates").

4.2 The Chargor acknowledges and agrees that if required by the Chargee monthly payments for principal and/or interest and all cash flow of the Charged Premises must pass through a single bank account on which the Chargor will have preauthorized the Chargee to withdraw the monthly payments under this Charge. In addition, the Chargor must maintain, at all times in such account, a minimum balance equal to the sum of the monthly payment of interest.

4.3 It is hereby agreed that in case default should be made in payment of any sum to become due at any time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, commencing on the date it was due for payment. If interest as compounded is not paid within one (1) month from the time of default a rest shall be made, and such interest on the overdue amount shall be added to the overdue payment and shall, together with the overdue payment, earn interest at the Applicable Rate, and all such interest and compound interest shall be a charge on the Charged Premises. After default in payment under this Charge, any payment by the Chargor shall be applied by the Chargee to Principal, interest or any other amount due hereunder at its discretion.

4.4 All interest payable under this Charge shall be payable as well after as before maturity, and both before and after default and judgment and so on from time to time.

5. PREPAYMENT

5.1 Unless otherwise provided in this Charge the Chargor shall not be entitled or permitted to make any prepayment on account of the Principal Sum at any time prior to the Maturity Date.

6. NO OBLIGATION TO ADVANCE NO MERGER ON REGISTRATION-DISCHARGE-PAYMENT UNDER THE CHARGE

6.1 The Chargor acknowledges and agrees that the Chargee is not bound to make any advance of any of the Principal Sum or any unadvanced part thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum it being acknowledged by the Chargor that any advance hereunder is subject, inter alia, to:

6.1.1 the representations and warranties herein being true and correct as of the date of any advance;

6.1.2 no default having occurred hereunder, under any of the Security or the Dealer Agreement.

6.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Chargee or the Chargor's ability to draw down funds is terminated by the Chargee before any funds are advanced, the Chargee will at the expense of the Chargor and upon payment of all monies, costs, fees and disbursements then due to the Chargee promptly upon request by the Chargor execute and deliver to the Chargor, or any agent thereof, registerable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof will have been recorded or filed; provided that the Chargor acknowledges that this Section 6.2 shall be of no effect once any advance of the funds is made hereunder by the Chargee.

6.3 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security or herein shall, subject to the provisions hereof, entitle the Chargee to exercise whatever rights or remedies are provided for herein and conversely default in payment hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Chargee to exercise whatever rights or remedies may be provided for in the Security. In the event of a conflict between the terms of a document forming part of the Security and this Charge, then the terms of this Charge shall govern.

7. CRIMINAL RATE OF INTEREST

7.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada) as the same shall be amended, replaced or re-enacted from time to time) payable to the Chargee under this Charge exceed the effective annual rate of interest lawfully permitted under that Section on the "credit advanced" (as defined in that Section) under this Charge and, if any payment, collection or demand pursuant to this Charge in respect of "interest" (as defined in that Section) is determined to be contrary to the provisions of that Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Chargee and the Chargor and the amount of such payment or collection shall be refunded by the Chargee to the Chargor.

8. INTEREST ACT (CANADA)

8.1 For the purposes of this Charge, whenever interest is calculated on the basis of a year less than the actual number of days in a calendar year, each rate of interest determined pursuant to such calculation expressed as an annual rate for the purpose of the *Interest Act* (Canada) is equivalent to such rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used as the basis of such calculation.

9. REPRESENTATIONS AND WARRANTIES

9.1 The Chargor represents and warrants in favour of the Chargee, acknowledging that the Chargee is relying on such representations and warranties in extending the Loan:

9.1.1 that if the Chargor is a corporation, then:

9.1.1.1 it is duly and validly organized and existing under the laws of the Province of Ontario and has all necessary corporate power and authority to enter into this Charge and Security and perform the obligations of it contained herein and therein, to own and operate the Charged Premises and carry on its business pertaining thereto as presently carried on and no steps or proceedings have been taken or are pending to supersede the articles or bylaws of the Chargor in a manner which would impair or limit the Chargor's ability to carry out its obligations hereunder or under the Security;

9.1.1.2 the Chargor has full power, legal right and authority to enter into this Charge and the Security, as the case may be, and to do all such acts and things as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof and there are no provisions in the articles or bylaws of the Chargor or any unanimous shareholders agreement of or with respect to the Chargor which restrict, limit or regulate in any way the powers of the Chargor to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions with respect to this Charge and the Security which have been complied with;

9.1.1.3 the Chargor has taken all necessary corporate action to authorize the execution, delivery and performance of this Charge and the Security, as the case may be, and the observance and performance of the provisions of each in accordance with its respective terms;

9.1.1.4 neither the authorization, creation, execution or delivery of this Charge or the Security will require any approval or consent of any governmental authority or agency having jurisdiction nor will it be in conflict with or contravene any of the Chargor's articles, bylaws, unanimous shareholder agreement, if any, or resolutions of directors or shareholders or the provisions of any indenture, instrument, agreement or undertaking to which the Chargor is a party or by which it or its properties or assets are bound or result in the creation or imposition of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the charge or security interest created by such security, other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Chargor, subject to the usual qualifications as to enforceability in connection with bankruptcy, insolvency, creditors' rights generally and equitable remedies;

9.1.2 there is not now pending or, to the best of the Chargor's knowledge or belief after due inquiry, threatened against the Chargor, any litigation, action, suit or other proceeding by or before any court, tribunal or other competent governmental agency or authority which would likely materially and adversely affect the present or prospective ability of the Chargor to perform its obligations under this Charge or the Security as the case may be or which calls into question the validity or enforceability of this Charge or the Security;

9.1.3 the Chargor has filed all tax returns required to be filed and has paid or made adequate provision for payment of all taxes, assessments, fees and other governmental charges levied upon it or upon its assets or income, including without limitation, Taxes, which are due and payable, including interest or penalties;

9.1.4 there is no fact known to the Chargor which it has not disclosed to the Chargee in writing that materially and/or adversely affects, or so far as it can now reasonably foresee, will materially and/or adversely affect, the Charge, the Security, the Charged Premises, the financial condition of the Chargor, or the business of the Chargor;

9.1.5 the Chargor is not insolvent, bankrupt or proceeding with a wind-up, whether voluntary or involuntary;

9.1.6 the Chargor is the registered and beneficial owner of a fee simple interest in the Lands and legal and beneficial owner of the Charged Premises, and has good and marketable title thereto, free and clear of all security interests, charges, liens and other encumbrances whatsoever;

9.1.7 the Chargor has the right to charge the Charged Premises to the Chargee;

9.1.8 the Chargor has done no act to encumber the Charged Premises;

9.1.9 the Chargor has not received any notice or threat of a lien under any construction or mechanics lien legislation against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;

9.1.10 the Chargor has received no notices, or complaints of violation or non-compliance with Environmental Laws or orders under Environmental Laws concerning the Charged Premises, and no federal, provincial or local environmental investigation is pending or has been threatened against the Chargor with regard to the Charged Premises, any use thereof or any alleged violation of Environmental Laws with respect thereto;

9.1.11 the charged Premises have not been used by the Chargor nor, to the best of the Chargor's knowledge, have the Charged Premises ever been used to manufacture, process, distribute, use, treat, store, dispose of, handle or transport thereto or therefrom any Hazardous Substances in any quantity or manner that violates or gives rise to liability under any Environmental Laws;

9.1.12 there are no Hazardous Substances present on or emanting from the Charged Premises in any quantity or manner that violates or gives rise to liability under any Environmental Laws.

9.1.13 the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;

9.1.14 the Charge is not a building mortgage, within the meaning of Section 78(2) of the *Construction Lien Act*), Ontario, as amended, and the funds to be advanced by the Chargee are not being used to repay a building mortgage;

9.1.15 there has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the commencement of the Term;

9.1.16 the Charged Premises, and existing and proposed uses by both the Chargor and any tenants, comply with applicable zoning, occupancy and use laws and regulations; and

9.1.17 the Charged Premises may be mortgaged by the Chargor in compliance with the *Planning Act Ontario* and no severance of any adjoining lands owned by the Chargor is required.

9.2 The representations and warranties set out in this Section 9 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Chargee or the Chargee's solicitors and the Chargee shall be deemed to have relied on such representations and warranties in making advances hereunder and continuing with the Loan.

9.3 The Chargor shall indemnify and save harmless the Chargee, its Affiliates, and all of their agents, employees, directors, officers, legal representatives, successors and assigns from and against all losses, damages, actions, claims, fines, penalties, judgments, damages and expenses (including, without limitation, reasonable solicitors', consultants' and experts' fees) directly or indirectly incurred or suffered by the Chargee resulting from any omission, inaccuracy or misrepresentation of the Chargor herein relating to or concerning the Charged Premises or any order under Environmental Laws.

10. COVENANTS

10.1 The Chargor covenants with the Chargee that:

10.1.1 the Chargor shall not use the Charged Premises for any other purposes other than that of a General Motors of Canada Limited authorized motor vehicle dealership and related purposes, as permitted by the Dealer Agreement;

10.1.2 upon default, the Chargee shall have quiet possession of the Charged Premises, free from any encumbrance;

10.1.3 the Chargor shall execute such further assurances of the Charged Premises as may be requisite;

10.1.4 the Chargor will fully and effectually maintain and keep the security hereby created as a valid and effective Security during the currency hereof and this Charge and will not permit, suffer or cause the registration of any debt, lien, charge, mortgage, security interest, hypothec, encumbrance or privilege whatsoever upon, against or with respect to the Charged Premises or the assets ancillary thereto or used in connection therewith;

10.1.5 the Chargor shall comply in all respects with all laws, rules, regulations and orders which pertain to the use or operation of the Charged Premises or the performance by the Chargor of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term;

10.1.6 the Chargor will not cause or permit to be recorded, filed, claimed or asserted against the Charged Premises any construction lien for supplies, machinery, tools, equipment, labour or material contracted for by, through or under such party and furnished or used in connection with any construction, development, alteration, improvement, addition to, demolition of, repair to or maintenance of any Improvements, or any tax lien, judgment lien or other involuntary lien of any nature and if the Chargor causes or permits any such lien to be so recorded, filed, claimed or asserted, it will cause the same to be released or discharged within thirty (30) days after receiving notice thereof. If the Chargor defaults under the foregoing covenant, then the Chargee may cause any such claimed lien to be released or discharged by bonding or payment or any other means available. All sums paid and costs, including reasonable solicitors' fees, incurred by the Chargee in connection therewith, together with interest on all such sums at the Applicable Rate from the date incurred until paid, will be due and owing by the Chargor to the Chargee upon demand therefor;

10.1.7 the Chargor will not initiate any amendments or proceedings under the BIA or the CCAA which will affect the Loan, or this Charge or the Security, and accordingly, should the Chargor or any Affiliate take the benefit of any statute affecting creditors' rights generally, including without limitation, the making of an assignment for the general benefit of creditors, the making of a proposal or filing of a notice of intention to make a proposal under the BIA, or bringing proceedings under the CCAA, the Chargor covenants and agrees to provide two (2) Business Days' notice before commencing any of the aforementioned proceedings and in such case receipt of same shall constitute an immediate Event of Default if the Chargor is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affects the rights or entitlements of the Chargee under the Loan, this Charge or the Security or the Chargee's ability to enforce this Charge or the Security, and prior to the commencement of any such proceedings, the Chargor shall deliver to the Chargee copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, and during this notice period it is intended by the Chargor that the Chargee shall be entitled to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Chargee's sole discretion.

10.1.8 If the Chargor is a tenant or lessee of the Lands, the Chargor covenants and agrees with the Lender that:

10.1.8.1 the Chargor is the lawful tenant or lessee of the Lands, has a good and marketable leasehold title to the Lands free of any liens or claims, except any the Chargor has reported to the Chargee in writing and that the Lands are leased to the Chargor under a good, valid and subsisting lease (a complete copy of which the Chargor has given to the Chargee);

10.1.8.2 all rents and moneys due and payable under the lease have been paid and the Chargor has not defaulted in respect of any of the Chargor's other obligations set out in such lease, in both cases up to the date the Chargor signed the Charge;

10.1.8.3 the Chargor has obtained the consent of the Chargor's lessor to charge and sublet the Chargor's leasehold interest in the Lands to the Chargee in the manner provided in the Charge;

10.1.8.4 the Chargor shall pay rent and all other amounts , and perform and observe all other obligations of the lessee or tenant, all as required by the lease, in default of which the Chargee may (but shall not be obligated to) make any such payments or perform or observe any such obligations, and the Chargor shall immediately pay the Chargee the amount of any payments made or costs and expenses incurred by the Chargee in so doing;

10.1.8.5 the Chargor shall not surrender the lease or cause or allow it to be terminated or forfeited and shall not agree to any amendment of the lease without first obtaining the Chargee's written consent;

10.1.8.6 the Chargor shall promptly give the Chargee a copy of any notice, demand or request which the Chargor may receive relating to the lease or the Lands; and

10.1.8.7 the Chargor shall stand possessed of the Lands for the last day of the term or of any renewal term granted by the lease in trust for the Chargee and will assign and sell it as the Chargee may direct, but subject to the Chargor's rights herein.

10.2 The Chargor further covenants with Chargee that

the Chargor shall comply with all Environmental Laws which may be applicable to the Chargor's use of the Charged Premises. In addition, the Chargor shall not cause, permit or allow any Hazardous Substance to be brought upon, kept, used, or released in, under, from or about the Charged Premises in violation of Environmental Laws. If

(i) the Chargor breaches the obligations stated in the preceding sentence, or

(ii) if the presence of any Hazardous Substance on the Charged Premises from whatever cause or nature, including actions of third parties taken with or without the permission or knowledge of the Chargor, results in contamination of the Charged Premises, or any part thereof, or

(iii) if contamination of the Charged Premises by any Hazardous Substance otherwise occurs, or

(iv) if any adjoining or neighbouring lands or locations other than the Charged Premises are contaminated as a result of such breach or presence,

then the Chargor shall indemnify, defend and hold the Chargee, its Affiliates and all of their agents, employees, directors, officers, legal representatives, successors and assigns, harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, stop orders, control orders, or any other order issued under any Environmental Law, regulations, or losses (including, without limitation, diminution in value of the Charged Premises, damages for the loss or restriction on use of the Charged Premises, and sums paid in settlement of claims, solicitors' fees, consultants' fees and experts' fees) which arise during or after the Term of this Charge as a result of such contamination. This indemnification of the Chargee by the Chargor includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, provincial, or local governmental agency or political subdivision because of any Hazardous Substance present in, under or about the Charged Premises, or any adjoining property or locations other than the Charged Premises or the soil or ground water on or under or flowing from the Lands. Without limiting the foregoing, if the presence of any Hazardous Substance on or about the Charged Premises caused, permitted or allowed by the Chargor results in any contamination of any portion thereof, the Chargor shall promptly take all actions at its sole expense as are necessary to return the Charged Premises to the condition existing prior to the introduction of, or release of, any such Hazardous Substance, subject to obtaining the Chargee's prior written consent to the actions to be taken by the Chargor. The Chargee may require its prior written consent to the selection of the contractors and other experts involved in the inspection, testing and removal or abatement activities, the scope of activities to be performed, the manner, schedule for performance, and method for performance of such activities, and such other matters as may be required or requested by the Chargee for the continued use of the Charged Premises and the safety of the Charged Premises and all occupants thereof. The Chargor shall provide the Chargee with such documentation and information reasonably requested by the Chargee with respect to any inspection, testing, remediation, removal, abatement, or other activities undertaken by or on behalf of the Chargor under this Section 10.2. The obligations and liabilities of the Chargor in this Section 10.2 shall survive the discharge of this Charge.

(b) the Chargor shall advise the Chargee with respect to any inspection, visit, investigation or inquiry initiated or carried out by any regulatory authority or any claim made or threatened by any person against the Chargee and/or the Chargor, or the Charged Premises, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substance. Such advice shall be provided within seven (7) days of the Chargor's receipt of any notice or action initiated by the regulatory authority or claim made or threatened, and shall include a complete description of the matters giving rise to the notice or action by the regulatory authority or claim made or threatened, and any actions taken by the Chargor with respect to them. The Chargor will advise the Chargee forthwith of any releases which are required to be reported to a governmental authority by any Environmental Law, whether or not such releases have been reported, and any charges or orders laid or pending against the Chargor with respect to Environmental matters, including a description of the circumstances giving rise to such releases or charges, as the case might be. For further clarification, the Chargee is hereby given the right of access to complete and unedited copies of all audits, assessments, evaluations, and reports respecting Environmental performance and activities at the Chargor's enterprise, and is specifically entitled to demand that the Chargor procure, at its own expense, such assessments, evaluations, audits, and reports as may be reasonably necessary to enable the Chargee to form a competent opinion on the level of compliance of the Chargor with respect to relevant Environmental Laws and its obligations under this Charge.

(c) the Chargor shall commence remediation of the Charged Premises as required in this Section 10.2 within a reasonable time after becoming aware of a breach of Section 10.2 If the Chargor fails to do so, or fails to diligently and continuously proceed with remediation thereafter, the Chargee shall have the right, at its sole option, to take all necessary steps to return the Charged Premises or affected lands to the condition existing prior to the introduction of any such Hazardous Substance, at the sole expense of the Chargor. All payments made and all costs incurred by the Chargee under this Article 10 shall be reimbursed by the Chargor within ten (10) Business Days after notice.

10.3 No Improvement or other property now or hereafter charged by this Charge shall be removed, demolished or altered, without the prior written consent of the Chargee, which may be unreasonably withheld, except that the Chargor shall have the right, without such consent, to make non-structural alterations, the aggregate cost of which does not exceed $50,000.00 per project, and the Chargor shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such equipment which from time to time may become worn out or obsolete, provided that either:

10.3.1 simultaneously with or prior to such removal, any such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Chargor shall be deemed to have subjected such equipment to the lien or charge of this Charge; or

10.3.2 any net cash proceeds received from such disposition shall at the option of the Chargee be paid over promptly to the Chargee to be applied at the Chargee's sole discretion towards the payment of any amounts owing hereunder.

10.4 The Chargor will not, without the prior consent in writing of the Chargee, (which may be unreasonably withheld), change or permit to be changed the use of the Charged Premises or initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restriction, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which will adversely affect this Charge, the Security, the day to day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.

10.5 The Chargor shall not permit waste to be committed or suffered on any part of the Charged Premises and shall keep or cause to be kept the Charged Premises in good condition and repair as would a prudent owner of property similar to the Charged Premises in age, location, type and size and in accordance with the provisions hereof shall promptly rebuild any of the Improvements in the event of damage or destruction. The Chargee shall be entitled to enter and view the state of repair of the Charged Premises, from time to time, and the Chargor will repair, according to notices as specified in this subsection. The Chargor shall notify the Chargee promptly of any material damage to or defects in any of the Improvements. Upon receipt of notice from the Chargee or upon delivery of notice to the Chargee the Chargor shall forthwith make such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.

10.6 The Chargor shall permit the Chargee access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Chargee. For such purposes, the Chargee shall have reasonable access to the Charged Premises and/or such other place as such records are kept.

11. TAXES, LIENS, ENCUMBRANCES, ETC.

11.1 The Chargor will pay or cause to be paid, as and when the same shall fall due and payable, all Taxes, liens, charges, fuel bills, or claims (collectively the "Bills") and will, upon the written request of the Chargee, within thirty (30) days subsequent to the deadline for such payments produce and leave with the Chargee or, as the Chargee may direct, true copies of all notices in respect of such Bills, and all such Bills and receipts for the same evidencing payment for the full amounts thereof.

11.2 The Chargee may, after written notice being given to the Chargor, pay all Bills and any amount(s) so paid by the Chargee shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Chargee and shall be payable forthwith by the Chargor to the Chargee with interest at the Applicable Rate until paid.

11.3 If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Chargee may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Chargee may pay, either in its own name or in the name of the Chargor and on the Chargor's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Chargor, and the Chargor hereby nominates and appoints the Chargee as agent to pay such monies on the Chargor's behalf and in the Chargor's name, and any monies so expended by the Chargee shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Chargee and shall be payable forthwith by the Chargor to the Chargee and until so paid shall bear interest at the Applicable Rate or in the alternative, the Chargee shall purchase the Charged Premises at any tax sale of the same.

11.4 Notwithstanding anything to the contrary herein contained, the Chargor shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Chargor shall have first deposited with the Chargee, or otherwise provided to the reasonable satisfaction of the Chargee, such security as the Chargee acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Chargee shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien ofthis Charge or the title of the Chargor to the Charged Premises. Should the Chargee at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Chargor to the Charged Premises, the Chargee may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Chargor shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of pending litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Chargor whereupon all such security deposited or otherwise provided to the Chargee and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Chargor.

11.5 The Chargor agrees to and does hereby indemnify the Chargee against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Chargor, or any of them, under or in respect of this Section 11.

11.6 If the Chargee comes into and for as long as it is in possession of the Charged Premises by reason of the default of the Chargor or the exercise of any rights or remedies to which it is entitled hereunder, the Chargee, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Chargor set out in Subsection 11.4 hereof, to the exclusion of the Chargor.

12. INSURANCE

12.1 The Chargor shall keep the buildings and improvements now existing and hereinafter erected on the Charged Premises insured against loss by fire, windstorm and other hazards, casualties and contingencies, vandalism, and malicious mischief as are usually covered by extended coverage policies for the full repair and replacement value, without reduction or depreciation, with such companies, in such amounts, and for such periods as the Chargee may require, and will promptly pay any premiums on such insurance when due. The Chargee may, at its sole discretion, require the Chargor to provide other, different or additional coverage, including without limitation, earthquake or flood insurance. The Chargor shall deliver to the Chargee policies, certificates or endorsements of such insurance which will name the Chargee as an insured party and will contain loss payable clauses which will make all losses under such policies payable to the Chargee. Such policies and certificates shall contain provisions that no such insurance may be cancelled or decreased without thirty (30) days prior written notice to the Chargee. In particular, the Chargor shall obtain and maintain the various coverages set out in Section 12.2 hereof.

12.2 Subject as hereinafter provided, the Chargor shall at all times maintain the following insurance with respect to the Charged Premises or as otherwise noted herein:

12.2.1 Insurance against physical loss of or damage to the Improvements as provided under a standard "All Risk" property policy including but not limited to flood (if the Charged Premises are in a flood zone) and, if generally obtainable in the vicinity of the Charged Premises, available earthquake coverage in amounts not less than the actual replacement cost of the Improvements. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than $10,000.00 per occurrence;

12.2.2 Commercial general liability insurance against claims for personal and bodily injury, death or property damage occurring on, in or as a result of the use of the Charged Premises, in an amount not less than $5,000,000.00 per occurrence including all coverage extensions that are usual and customary for properties of this size and type, including without limitation Garagekeepers Liability; provided, however, that the Chargee shall have the right to require such higher limits as may be reasonable and customary for properties of this size and type;

12.2.3 Comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than $1,000,000.00 combined single limit;

12.2.4 During construction of Improvements and during any period in which alterations to the Charged Premises having an aggregate cost in excess of $50,000.00 are being undertaken,

12.2.4.1 builders' risk insurance (on a completed value basis,) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed $10,000.00, in form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of Improvements together with "soft cost" and such other endorsements as the Chargee may reasonably require and

12.2.4.2 general liability, workers' compensation and automobile liability insurance with respect to the Improvements being constructed, altered or repaired;

12.2.5 Insurance against loss of insurable gross rents with an indemnity period of at least twenty-four (24) months. This extension to the "All Risk" property policy shall be issued so that the indemnity will not be limited to the period of reconstruction but shall continue during the period that the actual revenue falls short of the revenue from the Charged Premises prior to the insurable event and shall be for the maximum period of indemnity; and

12.2.6 Such other insurance on or in connection with any of the Charged Premises as the Chargee may reasonably require, which at the time is commonly obtained in connection with properties similar to the Charged Premises.

12.3 The insurance required by Section 12.2 shall be written by companies approved by the Chargee, acting reasonably. The insurance policies shall:

12.3.1 be for such term as the Chargee may reasonably approve;

12.3.2 be in amounts sufficient at all times to satisfy any co-insurance requirements thereof;

12.3.3 name the Chargee as additional insured as its interest may appear; and

12.3.4 contain an agreement by the insurer to give at least thirty (30) days prior notice to all additional insureds of any intention to cancel, cause to lapse, materially diminish and/or deny coverage.

If said insurance or any part thereof shall expire, be withdrawn, become void, voidable, unreliable or unsafe for any reason, including a breach of any condition thereof by the Chargor or the failure or impairment of the capital of any insurer, or if for any other reason whatsoever said insurance shall become unsatisfactory to the Chargee, acting reasonably, the Chargor shall immediately obtain new or additional insurance reasonably satisfactory to the Chargee.

12.4 The Chargor shall pay as they become due all premiums for the insurance required by Section 12.2, shall renew or replace each policy and deliver to the Chargee upon request evidence of the payment of the full premium therefor or instalment then due at least thirty (30) days prior to the expiration date of such policy, and shall promptly deliver to the Chargee certificates evidencing the existence of all policies.

12.5 The Chargor shall have the replacement cost and insurable value of the Improvements determined from time to time as required by the replacement cost and agreed amount endorsements and shall deliver to the Chargee the new replacement cost and agreed amount endorsement or certificate evidencing such endorsement promptly upon the Chargor's receipt thereof.

12.6 The Chargor shall promptly comply with and conform to:

12.6.1 all provisions of each insurance policy required by this Section 12 and

12.6.2 all requirements of the insurers thereunder applicable to the Chargor, and any of the Charged Premises or to the use, manner of use, occupancy, possession, operation, maintenance, alteration or repair of any of the Charged Premises, even if such compliance necessitates alterations or results in interference with the use or enjoyment of any of the Charged Premises.

12.7 The Chargor shall not carry separate insurance concurrent in form or contributing, in the event of a casualty or in the event of injury to or death of any person, with that required in this Section 12 unless:

12.7.1 the Chargee is included therein as named insured, with loss payable as provided herein, and

12.7.2 such separate insurance complies with the other provisions of this Section 12. The Chargor shall immediately notify the Chargee of such separate insurance and provide the original policies therefor.

12.8 The Chargor hereby undertakes and agrees that all policies of insurance referred to in Section 12.2 hereof shall contain a waiver of any subrogation rights which the Chargor's insurers may have against the Chargee or any person appointed by the Chargee as its agent with respect to the Charged Premises or those for whom the Chargee is in law responsible, whether or not any such damage is caused by an act, omission or negligence of the Chargee or its said agent or those for whom the Chargee is in law responsible.

12.9 If the Chargor defaults in insuring the Charged Premises or in so delivering the policies of insurance required under Section 12, the Chargor shall be in default under the Charge, the Loan and the Security and, notwithstanding any other remedies available and without notice or expiry of any cure period herein provided, the Chargee may, at its option but without obligation to do so, effect such insurance from year to year and pay the premiums therefor, and the Chargor will reimburse the Chargee on demand for any premium so paid, with interest at the Applicable Rate from the time of payment and the same shall be secured by the Charge and by the Security.

12.10 The Chargor agrees forthwith upon the happening of any loss or damage with respect to the Charged Premises to furnish all necessary proofs and do all necessary acts to enable the Chargee or any purchaser of the Chargor's interest in the Charged Premises from the Chargee to obtain proceeds of insurance in respect thereof.

12.11 Nothing herein shall be deemed to hold the Chargee responsible for failure to have insurance placed or for any loss growing out of any defects in any policy, or because of failure of any insurance company to pay for any loss or damage insured against.

12.12 Casualty loss - in the event of any loss, damage, or destruction of buildings or improvements, the Chargor shall immediately notify the Chargee. Regarding any covered loss, each insurance company is authorized and directed to make payment of such loss directly to the Chargee, and the insurance proceeds may be applied by the Chargee toward reimbursement of all costs and expenses in collecting said proceeds, the reduction of the indebtedness secured hereby, or the restoration or repair of the buildings and improvements damaged or destroyed.

13. DAMAGE OR DESTRUCTION

13.1 To the extent not otherwise provided for or to the extent not otherwise acquiesced in by the Chargee then the following provisions shall apply:

13.1.1 In the event of any loss or damage as a result of which proceeds of the insurance in an amount not in excess of ONE HUNDRED AND FIFTY THOUSAND DOLLARS ($150,000.00) are received by the Chargee, and unless an Event of Default has occurred and is continuing, or an event which with the passage of time or the giving of notice would constitute an Event of Default then, provided that no construction lien or liens or claims for lien has been registered which is outstanding against the Charged Premises or the Chargor's interest in the Charged Premises or any part thereof, nor has the Chargee received notice of any claim for lien, such proceeds of insurance received by the Chargee (less the cost, if any, to the Chargee of recovering such proceeds and of paying out such proceeds) shall be released to the Chargor for the purpose of and conditional upon the repairing, restoring and/or rebuilding that portion of the Charged Premises so damaged or to reimburse the Chargor with respect to costs incurred by the Chargor in connection with such repair, restoration or rebuilding.

13.1.2 In the event of any loss or damage as a result of which the proceeds of insurance received by the Chargee exceeds ONE HUNDRED AND FIFTY THOUSAND DOLLARS ($150,000.00) all such insurance proceeds may, at the option of the Chargee, be applied against the indebtedness outstanding hereunder.

13.1.3 Notwithstanding Section 13.1.1 or 13.1.2, in the event that there exists a lease of the Charged Premises having priority over this Charge or a non-disturbance agreement between the Chargee and a lessee of the Charged Premises which requires that such insurance proceeds be used to repair, restore and/or rebuild the Charged Premises, or the Chargee elects not to apply such insurance proceeds against the indebtedness hereunder, then such insurance proceeds shall be used in accordance with the terms of such lease or such non-disturbance agreement.

Upon the completion of the work and payment in full therefor, and if an Event of Default has occurred and is continuing or an event has occurred which with the passage of time, the giving of notice or otherwise would constitute an Event of Default, the Chargee may apply the amount of any such proceeds then or thereafter in the hands of the Chargee to cure such default and bring this Charge into good standing. The balance of any such proceeds then remaining in the hands of the Chargee shall be paid as the Chargor may direct in writing.

13.1.4 From and after the happening of any damage to or destruction of the Charged Premises the Chargor shall on the first Business Day of the month following the happening of such damage or destruction and continuing until the first Business Day of the month next following the month in which the work shall have been completed, provide to the Chargee written reports specifying in such detail as the Chargee shall reasonably require, all efforts made by the Chargor in the preceding month and all progress made by the Chargor in respect of the work. In the event that the Chargee, acting reasonably, determines that the Chargor is not proceeding diligently with the work, then the Chargee may serve notice on the Chargor specifying that portion of the work in which the Chargor is in default in proceeding diligently and the time, as determined by the Chargee acting reasonably, within which such default is to be remedied; in the event that the Chargor shall fail to remedy such default within the said period, the Chargee may elect to apply the proceeds of insurance recovered by it hereunder toward the payment of the indebtedness outstanding under the Loan.

14. IMPROVEMENTS, FIXTURES

14.1 All erections, buildings, Improvements, fixed machinery, fixed equipment and plant, structures and fixtures, which are now or which shall hereafter be placed in or installed upon the Charged Premises, and which at law are fixtures, save for:

14.1.1 tenants' fixtures, equipment and improvements which any tenant has the right to install upon and remove from the Charged Premises, or any part thereof, unless or until the right of the tenant to remove the same ceases, by abandonment or otherwise; and

14.1.2 fixtures, equipment and improvements which have been leased by the Chargor as lessor but only for so long as such fixtures, equipment and improvements are not the property of the Chargor as lessor;

shall form part of the realty and of the security hereby constituted and are included in the expression "Charged Premises".

15. ASSIGNMENT OF RENTS AND LEASES

15.1 As further security for the payment of all monies owing hereunder, the Chargor does hereby assign to the Chargee all leases, subleases, tenancies, licenses, and rights to use or occupy the Charged Premises and/or space in the Charged Premises now or hereafter existing and all rights and benefits of all guarantees and indemnities thereof and all rents, issues and profits which shall now or may hereafter become payable by reason of any lease or sublease, tenancy or tenancies, or use or occupation of the Charged Premises, or any part thereof or of any guarantees and indemnities thereof which assignment shall be in priority to all other liens, charges and assignments granted to other parties by the Chargor other than Permitted Exceptions and if the Chargor is in default in the observance or performance of any of the terms, covenants and conditions of this Charge, then the Chargee shall have the right, by its agent or otherwise, to take and receive rents, issues and profits thereof.

16. NOTICE OFALLEGED DEFAULTS BY LESSOR UNDER LEASES

16.1 The Chargor covenants and agrees with the Chargee to promptly notify the Chargee of each and every breach, default, non-observance or non-performance, alleged, charged or claimed against the Chargor as lessor under any lease or as sublessor under any sublease of the Charged Premises, of which it has given or received written notice or of any proceeding by or from any tenant or subtenant of the Charged Premises, or any part thereof, and, provided that such breach, default, non-observance or non-performance has occurred and continues and the Chargor is not diligently defending any such proceeding, the Chargor hereby allows the Chargee to cure any such breach, default, non-observance or non-performance in the event of the Chargor's neglecting or refusing to promptly do so following thirty (30) days written notice to the Chargor by the Chargee and failure of the Chargor to correct such default or to proceed diligently to correct such default within the thirty (30) day period, and in such case, any reasonable expense, cost or damage incurred or sustained by the Chargee shall be promptly paid by the Chargor, with interest thereon at the Applicable Rate, and all such expense, cost or damage shall be a charge against the Charged Premises until paid by the Chargor.

17. APPOINTMENT OF MONITOR

17.1 If in the opinion of the Chargee, acting reasonably, a material and adverse change has occurred in the financial condition of the Chargor, or if the Chargee in good faith believes that the ability of the Chargor to pay any of its obligations to it or to perform any other covenant contained herein has become impaired or if an Event of Default has occurred, the Chargee may by written notice to the Chargor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the business and affairs of the Chargor for the purpose of reporting to the Chargee. The Chargor shall give the Monitor its full cooperation, including full access to the Charged Premises, assets and records of the Chargor and to its creditors, customers, contractors, officers, directors, employees, auditors and agents. The Monitor shall not exercise any decision making or other management responsibilities in connection with the affairs of the Chargor. The Monitor shall have no responsibility for the affairs of the Chargor nor shall it participate in the management of the Chargor's affairs. The Monitor shall act solely on behalf of the Chargee and shall have no contractual relationship with the Chargor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Charge or the Security. All reasonable fees and expenses of the Monitor shall be paid by the Chargor upon submission to it of a written invoice therefor.

18. EXPENSES OF OBTAINING,MAINTAINING AND ENFORCING SECURITY

18.1 All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, surveyor's and appraiser's fees and expenses for drawing and registering this Charge and the Security and financing statements in connection therewith and for examining the Charged Premises and the title thereto before the date hereof and for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals) and in administering the Charge and the Security and in exercising or enforcing or attempting to enforce or advising the Chargee in respect of defaults hereunder or pursuant to any right, power, remedy or purpose hereunder or subsisting at law, any legal costs between solicitor and client generally as from time to time permitted by the laws of Ontario in connection therewith, and also reasonable allowance for the time, work and expenses of the Chargee or of any agent of the Chargee in connection therewith, and together with all reasonable sums which the Chargee may from time to time advance, expend or incur hereunder, for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises, or in maintaining, repairing, restoring or completing the Charged Premises, or in obtaining the renewal, from time to time, of filings or registrations pertaining to the Security, and in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder, and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Chargor or otherwise, are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Chargee, on demand, except as herein otherwise provided.

18.2 If any action or proceeding is commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Chargee becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Chargee for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Chargor, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Chargee, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

19. EXPROPRIATION

19.1 The Chargor does hereby charge, assign, set over and transfer to the Chargee, as security for the repayment of the Principal Sum, interest and all other monies and obligations secured hereby, any and all expropriation awards or payments ("Expropriation Awards(s)") including interest thereon, and the right to receive the same (save for any portion of any such Expropriation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:

19.1.1 any expropriation, partial or complete, including any sidewalk or lane; or

19.1.2 the imposition and enforcement of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or

19.1.3 any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental or public authority having jurisdiction;

(any matter referred to in 19.1.1, 19.1.2, or 19.1.3 above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Expropriation Award by the Chargor. Notwithstanding the occurrence of any Incident of Expropriation, the Chargor shall continue to pay interest at the Applicable Rate on the Principal Sum.

19.2 Any Expropriation Award received by the Chargee (the "Expropriation Proceeds") shall be held by the Chargee as part of the security for the Loan subject to application as provided in this Section 19. Pending such application, the Expropriation Proceeds shall be held and invested by the Chargee acting reasonably. If at any time an Event of Default has occurred and is continuing, the Chargee may at its option apply the Expropriation Proceeds in reduction of the amounts owing hereunder.

19.3 Notwithstanding the provisions of Sections 19.1 and 19.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Chargee, would materially and adversely affect the security of the Charge or any other Security after the application of any Expropriation Award pursuant to Section 19.2 hereof, then, at the option of the Chargee, the whole of the Principal Sum together with any accrued but unpaid interest thereon at the Applicable Rate, interest on overdue interest and all other monies hereby secured, shall become due and payable and all powers conferred on the Chargee herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for the payment of such Principal Sum had fully come and expired and the Expropriation Proceeds shall be applied to the reduction of amounts owing hereunder.

19.4 If the Chargor learns that all or any portion of the Charged Premises has been or is proposed to be subjected to an Incident of Expropriation, it will immediately notify the Chargee of such Expropriation.

19.5 The Chargor and the Chargee shall jointly collect, settle and compromise the amount of any Expropriation Award. No agreement with any expropriating authority in settlement or under threat of any Expropriation shall be made by the Chargor without the prior written consent of the Chargee.

19.6 Notwithstanding Sections 19.1 and 19.2 hereof but subject to Section 19.3 hereof, in the event that there exists a lease of the Charged Premises having priority over this Charge or a non-disturbance agreement between the Chargee and a lessee of the Charged Premises and an Incident of Expropriation occurs which does not result in termination of such lease, the Expropriation Proceeds shall be distributed in accordance with the terms of such lease.

20. DEFAULT AND ACCELERATION

20.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any other amounts secured hereby, at the option of the Chargee, shall, subject to Section 20.2 hereof, become due and payable and all powers conferred on the Chargee herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal Sum had fully come and expired, if otherwise provided in this Charge or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period referred to in Section 20.2 hereof, if any, being collectively referred to as an "Event of Default"):

20.1.1 upon default in payment to the Chargee of any instalment of Principal, interest or any other monies due hereunder;

20.1.2 upon default or non-compliance in any covenant or obligation of the Chargor hereunder; or

20.1.3 upon the waste, removal or demolition of, or alteration to, any part of the Charged Premises, except as approved by the Chargee in accordance with Section 10.3 hereof; or

20.1.4 upon Improvements in the course of construction on the Charged Premises remaining unfinished without work being done on them for ten (10) consecutive days; or

20.1.5 upon default in obtaining and keeping in force the insurance herein required; or

20.1.6 upon default either in delivering certified copies of policies of insurance or certificates therefor or in assigning the proceeds of such policies insuring against property loss or damage in accordance with Section 12 hereof or in reimbursing the Chargee for premiums paid on such insurance, as herein provided; or

20.1.7 upon registration of a construction lien against the Charged Premises or failure to retain any holdback or otherwise comply with any requirement of any construction lien legislation; or

20.1.8 upon assignment by the Chargor to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Chargee; or

20.1.9 upon default or non-compliance of the Chargor, or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of this Charge and the Security;

20.1.10 upon non-compliance in respect of the Charged Premises with the provisions of any Environmental Laws or any other laws, statutes, regulations, by-laws or codes relating to the storage or handling of gasoline and other fuel products; or

20.1.11 subject to the provisions of Sections 10.1.4 and 11.4 hereof, upon the registration or filing of any lien, charge or encumbrance against the Charged Premises; or

20.1.12 if the Chargor shall become subject to an Event of Insolvency, or if the Chargor, being a corporation, shall take any steps to terminate its corporate existence, voluntarily or under an order or decree of any court of competent jurisdiction, or otherwise; or

20.1.13 subject to the provisions contained in Section 23.1 hereof, if:

20.1.13.1 the Chargor transfers, sells, conveys or disposes of all or any part of or any interest in the Charged Premises; or

20.1.13.2 if the Chargor, being a corporation, there is any change in the Chargor's corporate control or change in the Chargor's effective corporate control from the shareholders existing as of the date of this Charge; or

20.1.13.3 there is any change in the beneficial ownership of the Charged Premises; or

20.1.14 the Charged Premises are not maintained, managed and operated, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other projects which are of size, location, class and type comparable to the Charged Premises; or

20.1.15 if the Charged Premises are abandoned; or

20.1.16 upon a default under any charge, lien or encumbrance which is secured by or creates a security interest in or with respect to the Charged Premises (and the Chargor shall forthwith deliver written notice to the Chargee of any such default upon becoming aware or receiving notice of the same); or

20.1.17 if at any time during the Term there is a breach of any representation or warranty contained herein in any material respect or at any time during the Term any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason in any material respect; or

20.1.18 failure by the Chargor to fulfil, complete or comply with any undertakings delivered by the Chargor to the Chargee in connection with the Loan in accordance with the terms of such undertakings; or

20.1.19 upon the termination of the Dealer Agreement by either party thereto for any reason whatsoever or upon the occurrence of a default or event of default under the Dealer Agreement; or

20.1.20 upon any breach, default or non-observance occurring or being alleged, charged or claimed against the Chargor as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Chargor is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or

20.1.21 upon the commencement of an action, application or other court proceedings which challenges or disputes the enforceability or priority of this Charge.

20.2 Save as may be otherwise provided herein, before exercising any of its rights or remedies hereunder or under any Security, the Chargee shall give written notice to the Chargor specifying the default with respect to which such right or remedy is to be exercised and if such default is to be remedied, advising the amount required to be paid or the action to be taken to remedy the same, as the case may be. The Chargor from time to time may, with respect to a default in the making of any payment due hereunder (save for payment due on the Maturity Date or as otherwise provided in this Charge), within ten (10) days of the giving of such notice and, with respect to any other default, (save for an Event of Insolvency, a default which is not capable of being remedied or as otherwise provided in this Charge) within thirty (30) days of the giving of such notice, remedy the default specified therein. An Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period called for in this Charge or in such Security within which the Chargor may remedy such default. If such default (other than a failure to make any such payment due hereunder, an Event of Insolvency or a default which is not capable of being remedied or as otherwise provided herein) is not capable with reasonable diligence of being remedied within such thirty (30) day period and the Chargor has given notice to the Chargee within such thirty (30) day period of its intention to remedy such default (other than a failure to make any such payment due hereunder, an Event of Insolvency or in respect of a default which is not capable of being remedied or as otherwise provided herein) with reasonable diligence, the Chargor shall, provided that the security constituted by this Charge and the Security is not impaired and the Charged Premises are not materially adversely affected, have such further period within which to remedy the default as may reasonably be necessary for it so to do, provided that the Chargor shall thereupon proceed diligently and without interruption to remedy the default and further provided that, in any event, if in the opinion of the Chargee an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result the Charged Premises or the Security is materially at risk, the Chargee may take such action or exercise such remedies as may be appropriate without notice to the Chargor.

21. REMEDIES ON DEFAULT

21.1 If an Event of Default has occurred hereunder and is continuing then at any time thereafter, but subject always to the waiver thereof by the Chargee and subject always to the provisions of Section 21.2 hereof:

21.1.1 No Further Advances - The Chargee may terminate its obligation to advance any further monies hereunder; or

21.1.2 Acceleration - The Chargee may declare the Principal Sum, all accrued and unpaid interest thereon and all other monies secured hereunder to be immediately due and payable and proceed to exercise any and all rights hereunder or any other rights available to it; or

21.1.3 Perform Covenants - The Chargee may at the expense of the Chargor, when and to such extent as the Chargee deems advisable, observe and perform or cause to be observed and performed any such covenant, agreement, proviso or stipulation, and the reasonable cost thereof, with interest thereon at the Applicable Rate until paid, shall immediately become due from the Chargor to the Chargee forthwith after demand by the Chargee upon the Chargor therefor. It is agreed that the Chargee in exercising its rights under this subsection shall be deemed not to be a mortgagee in possession; or

21.1.4 Inspection - The Chargee may send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same; or

21.1.5 Entry into Possession - The Chargee may without notice to the Chargor or any other party, enter into possession of the Charged Premises and whether in or out of possession collect the rents, issues and profits thereof, and make any demise or lease or sublease of the Charged Premises, or any part thereof, for such terms and periods and at such rents and upon such conditions as shall appear to the Chargee most advantageous and as can reasonably be obtained therefor in the circumstances and the power of sale hereunder may be exercised either before or after and subject to any such demise, lease or sublease; or

21.1.6 Distrain for Arrears - It shall and may be lawful for and the Chargor hereby grants full power, right and license to the Chargee to enter, without notice and to seize and distrain upon the Charged Premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the Charged Premises, as much of the monies secured hereby as shall from time to time be or remain in arrears or unpaid, together with all costs, charges or expenses attending such levy or distress, as in like cases of distress for rent. The Chargor hereby attorns to the Chargee and becomes a tenant of the Charged Premises from the day of the execution hereof at a rental equivalent to, applicable in satisfaction of, and payable at the same times as the payments of Principal and interest hereinbefore provided to be paid, the legal relation of landlord and tenant being hereby constituted between the Chargee and the Chargor; but it is hereby agreed that neither the existence of this clause nor anything done by virtue hereof shall render the Chargee a mortgagee in possession, or accountable for any moneys except those actually received by it, and the Chargee may upon the happening of an Event of Default, and compliance with the notice provisions contained herein, enter on the Charged Premises and determine the tenancy hereby created without notice; or

21.1.7 Power of Sale - The Chargee, on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice sell and dispose of the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Chargee under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Charged Premises; and the Chargee may sell, transfer and convey any part of the Charged Premises on such terms and on credit or for part cash and part credit, (provided the Chargor shall not be accountable for any default in respect of the credit) secured by contract or agreement for sale, or Charge, or otherwise, as shall appear to the Chargee most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, Charge, or otherwise, the Chargee is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest or leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Chargee may make any stipulations as to title or evidences or commencement of title or otherwise as the Chargee shall deem proper and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Chargee shall not be answerable for loss occasioned thereby; and for any of such purposes the Chargee may make and execute all arrangements and assurances that the Chargee shall deem advisable or necessary; or

21.1.8 Judicial Sale or Foreclosure - The Chargee may take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises; or

21.1.9 Appoint Receiver - The Chargee shall be entitled from time to time (in addition to and without prejudice to all its other rights and privileges) to appoint a receiver or a receiver and manager (which receiver or receiver and manager is hereinafter referred to as a "Receiver") of the Charged Premises and of the rents, issues and profits thereof without the necessity of first exercising its right to enter into possession. Such Receiver may be appointed upon delivery by the Chargee to the Receiver of a notice in writing as to default under the provisions of this Charge and such notice shall be conclusive evidence of such default. Upon the appointment of a Receiver from time to time the following provisions shall apply:

21.1.9.1 the Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect of the Charged Premises or any part thereof whether in respect of any tenancies created in priority to this Charge or subsequent thereto;

21.1.9.2 the Receiver may in the discretion of the Chargee and by writing be vested with all or any of the powers and discretion of the Chargee;

21.1.9.3 the Chargee may from time to time by such writing fix the remuneration of the Receiver who shall be entitled to deduct the same out of the revenue from the Charged Premises or the proceeds thereof;

21.1.9.4 the Receiver shall, so far as concerns responsibility for its acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;

21.1.9.5 the appointment of the Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Premises or any part thereof;

21.1.9.6 the Receiver shall from time to time have the power to rent any portion of the Charged Premises which may become vacant for such term and subject to such provisions as shall appear to the Receiver most advantageous and as can reasonably be obtained therefor in the circumstances, and in so doing the Receiver shall act as the attorney or agent of the Chargor and shall have authority to execute any offer to lease, tenancy agreement or lease of any space in the Charged Premises in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever actions the Receiver may take in such regard;

21.1.9.7 the Receiver shall have full power to complete any unfinished construction on the Charged Premises with the intent that the Charged Premises when so completed shall be complete structures as represented by the Chargor to the Chargee for the purpose of obtaining the Loan;

21.1.9.8 the Receiver shall have full power to manage, operate, repair, alter or extend the Charged Premises or any part thereof in the name of the Chargor and may borrow money on the security of the Charged Premises;

21.1.9.9 the Receiver shall account only for the monies received in cash in respect of the Charged Premises or any part thereof and out of such cash so received the Receiver shall, subject to the direction of the Chargee in its discretion, in the following order pay:

21.1.9.9.1 the Receiver's remuneration aforesaid;

21.1.9.9.2 all payments reasonably made or incurred by the Receiver in connection with the receivership;

21.1.9.9.3 all payments of interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and

21.1.9.9.4 all payments to the Chargee in reduction of the amounts owing hereunder;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Chargor or other persons entitled thereto;

21.1.9.10 the Chargee may at any time and from time to time terminate the receivership by notice in writing to the Chargor and to the Receiver; and

21.1.9.11 save as to claims for accounting under Section 21.1.9.10 above, the Chargor hereby releases and discharges the Chargee and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Chargor by reason or as a result of anything done by the Chargee or any successor or assign claiming through or under the Chargee or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect.

21.2 The foreclosure, cancellation or any other dealing with any Security shall not release or affect this Charge, and the taking of this Charge, or the foreclosure or cancellation of, or any other dealing with, or proceeding under, this Charge, shall not release or affect any Security;

21.3 The Chargee may at any and all times release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Chargor or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Chargee, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, Security and covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;

21.4 In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Chargee shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Chargee as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Chargor; and

21.5 The Chargee shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Chargee and all revenue of the Charged Premises received or collected by the Chargee from any source other than payment by the Chargor or Guarantors may, at the option of the Chargee, be retained in a separate account to be used in maintaining or insuring or improving the Charged Premises to the extent required for such purpose in the opinion of the Chargee acting reasonably; or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises; or applied in reduction of the amounts owing hereunder.

22. REMEDIES CUMULATIVE

22.1 The rights of the Chargee arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Chargee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

23. NON-TRANSFERABILITY, PARTIAL DISCHARGE AND NO SUBSEQUENT ENCUMBRANCING

23.1 The Chargor shall not sell, convey, transfer or dispose of the legal or beneficial interest of the Charged Premises or any part thereof or the interest of the Chargor in the Charged Premises without the prior written consent of the Chargee, in its sole and absolute discretion, which consent may be unreasonably withheld.

23.2 The Chargor shall be deemed to have transferred its legal and beneficial interest in the Charged Premises in any case where such number of shares in the Chargor are issued or transferred, whether by operation of law, or otherwise, so as to result in a change in control or a change in the effective control of the Chargor from the shareholders existing on the date of this Charge. Notwithstanding the foregoing, transfers of shares between the shareholders existing on the date of this Charge shall not constitute a change in control for the purposes of this Section.

23.3 The Chargor shall not create or permit to exist any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest or other encumbrance affecting the Charged Premises, other than this Charge and the Security without the prior written consent of the Chargee, in its sole and absolute discretion, which consent may be unreasonably withheld.

23.4 In the event that a transaction has been completed which is prohibited under this Section, the acceptance of any payments by the Chargee from any party to or resulting from such prohibited transaction shall not constitute a waiver of this Section by the Chargee.

24. DISCHARGE AND RENEWAL

24.1 Any discharge of this Charge shall be prepared by the Chargee and the Chargee shall have a reasonable time after the payment of the Charge monies within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Chargor.

24.2 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Chargor shall be entitled to receive and the Chargee shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor.

25. NO MERGER OR WAIVER OF CHARGEE'S RIGHTS

25.1 The Chargor covenants and agrees with the Chargee that:

25.1.1 the giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Chargee under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Chargee now has or may hereafter have against any one or more persons, are hereby preserved. All payments made hereunder shall reduce *pro tanto* the amount secured under the Security, and vice versa and any default under any Security shall constitute a default under this Charge and vice versa;

25.1.2 the taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Chargor or affect the Chargee's right to interest at the Applicable Rate on any monies due or owing to the Chargee during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon;

25.1.3 the covenant of the Chargor to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Chargor under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full;

25.1.4 any waiver by the Chargee of any default by the Chargor shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Chargor or the rights resulting therefrom and any omission on the Chargee's part in respect of any default by the Chargor shall not be deemed to be a waiver of such default; and

25.1.5 No extension of time given by the Chargee to the Chargor or anyone claiming under the Chargor, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any person liable for payment of the monies hereby secured.

26. CONTINUING SECURITY

26.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security to the Chargee for the payment of the Loan and all advances hereunder and all interest, damages, costs, charges and expenses which may become due and payable to the Chargee upon or in respect of the Loan or any portion thereof notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the same or any portion thereof or in the names of the parties to the said obligations or any of them.

27. NOTICE

27.1 All notices required or permitted under this Charge must be in writing and will only be deemed properly given and received

27.1.1 when actually given and received, if delivered in person to a party; or

27.1.2 one (1) Business Day after deposit with a private courier or overnight delivery service; or

27.1.3 one (1) Business Day after telecopy transmission. All such notices must be transmitted by one of the methods described above to the party to receive the notice at, in the case of notices to Chargee, Chargee's Address, in the case of notices to Chargor, Chargor's Address, or, in any case, at such other address(es) as Chargee or Chargor may notify the other of according to this Section 27.

28. MISCELLANEOUS

28.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Section 4 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.

28.2 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

28.3 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statute.

28.4 This Charge shall enure to the benefit of the Chargee and its successors and assigns and shall be binding upon the Chargor and its successors and assigns.

28.5 The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.

28.6 This Charge, and the Security provided to the Chargee by the Chargor in connection with the Loan, represents the entire agreement between the Chargor and Chargee with respect to the subject matter hereof.

28.7 This Charge will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

28.8 The Chargee shall not be bound to exhaust its recourse against the Chargor or any other parties or security (which term when used in this Subsection includes guarantees and indemnities) it may hold from time to time before being entitled to payment by the Chargor.

28.9 The indebtedness of the Chargor secured by this Charge or intended to be secured by this Charge shall exist notwithstanding: any lack or limitation of status or of power or incapacity of the Chargee or its directors or officers; that the Chargor may not be a legal entity; and the existence of any irregularity, defect or informality in the Charge, the Security or the registration and filing of the Charge and the Security.

Dated the 10th day of May, 2002

Alan Bennett,

Solicitor for General Motors Acceptance Corporation
of Canada, Limited

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200214 Cote
Filing Date May 15th 2002 Date de Dépôt
Page 1 of/de Thirteen (13) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

VARIABLE RATE MORTGAGE

Filing Date: May 15th, 2002

Filed By: IntesaBci Canada

Filing Number: 200214.

1. This set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act, 1984, as amended (the "Act").

2. Unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings in this Charge:

   (a) "Balance Due Date" means the date in box 9 (i) of Form 2;

   (b) "Bank" means IntesaBci Canada and its successors and assigns;

   (c) "Charge" means (i) Form 2, together with (ii) this set of Standard Charge Terms;

   (d) "Chargee" means the Bank;

   (e) "Chargor" means the person who signs or the persons who sign Form 2 as Chargor and the heirs, executors, administrators, successors and assigns of that Chargor or of each of those Chargors;

   (f) "Dollars" or "$" means dollars of lawful money of Canada;

   (g) "First Payment Date" means the date in box 9 (f) of Form 2;

   (h) "Form 2" means any Form 2 prescribed by the regulations made under the Act in which this set of standard charge terms is referred to by its filing number as provided by Section 9 of the Act together with all schedules and appendices thereto;

   (i) "Guarantor" means the person who signs or the persons who sign Form 2 as Guarantor and the heirs, executors, administrators and successors of that Guarantor or each of those Guarantors;

   (j) "Interest Adjustment Date" means the date in box 9 (d) of Form 2 or such other date as the Chargor and Chargee may agree in writing, and shall be the date on which the term of this Charge begins;

   (k) "Interest Rate" means the variable rate of interest in box 9 (b) of Form 2 calculated and payable monthly;

   (l) "Last Payment Date" means the date in box 9 (g) of Form 2;

   (m) "Monthly Instalment" means the amount of Dollars in box 9 (h) of Form 2, which amount includes principal and interest and Monthly Instalments means the plural of Monthly Instalment;

   (n) "Mortgage Prime Rate" means the annual rate of interest set and announced by the Bank in its discretion from time to time as the Bank's reference rate then in effect for determining interest rates on residential property loans in Canada;

   (o) "Payment Date" means the day in box 9 (e) of Form 2 in each and every month from and including the First Payment Date through to and including the Last Payment Date;

(p) "Principal Amount" means the principal amount of money advanced pursuant to this Charge as set out in boxes 4 and 9 (a) of Form 2 together with the amount if any added thereto pursuant to the provisions of this Charge;

(q) "Property" means the land described in Form 2 together with all buildings, structures, fixtures and improvements built upon or made to the land from time to time and all appurtenances thereto; and

(r) "Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or occupational health and safety matters and the Property and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to: (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (ii) the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and (iii) substances or conditions that are prohibited, controlled or otherwise regulated such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyl's ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundment's.

(s) "Spouse of Chargor" means the spouse of each Chargor described in Form 2.

3. In consideration of the Principal Amount paid by the Bank to the Chargor, the receipt of which is acknowledged by the Chargor, the Chargor charges to the Bank the Property with the payment to the Bank of the Principal Amount with interest at the Interest Rate, whether before or after default and as well after as before maturity.

4. This Charge shall operate until all money and interest secured by this Charge are paid, and all obligations whose performance is secured by this Charge are performed, in the manner provided in this Charge. The provisions relating to defeasance contained in subsection 6 (2) of the Act are hereby expressly excluded from the terms of the Charge and the following shall be included:

Provided that this Charge shall be void upon the Chargor paying or causing to be paid to the Bank, the Principal Amount and interest at the Interest Rate thereon as well after as before maturity and default and judgement at the days and times and in the manner set forth in the Charge and all other amounts payable by the Chargor hereunder and upon the Chargor paying any taxes, rates, levies, charges or assessments and including without limitation, utility charges, upon the Property no matter by whom or by what authority imposed and observing and performing all covenants, provisions and conditions contained in the Charge.

5.

(a) The Principal Amount secured by this Charge is that amount set out in boxes 4 and 9 (a) of Form 2 and the Interest Rate chargeable thereon is the Mortgage Prime Rate per annum as that rate will vary from time to time plus or less the number of percentage points per annum, if any, as set out in box 9 (b), calculated and payable monthly, not in advance, both before and after default, maturity and judgment;

(b) The Interest Rate will vary automatically without notice to the Chargor each time there is a change in the Mortgage Prime Rate so that the Interest Rate will at all times be the Mortgage Prime Rate plus or less the percentage points per annum, if any, set out in box 9 (b) calculated and payable monthly not in advance.

The Bank may, but is not obliged, from time to time to provide notice by mail to the Chargor's last recorded address or otherwise of the Interest Rate then in effect. The certificate of the Chargee setting forth the Mortgage Prime Rate or the Interest Rate as at any time or times shall be conclusive evidence;

(c) The Interest Rate calculated and payable monthly not in advance is equivalent to the interest rate calculated half yearly not in advance disclosed in this table of sample interest rates:

CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)
3.000	3.01881	**11.000**	11.25519	**19.000**	19.76815
3.125	3.14542	11.125	11.38605	19.125	19.90340
3.250	3.27208	11.250	11.51699	19.250	20.03872
3.375	3.39882	11.375	11.64800	19.375	20.17411
3.500	3.52562	11.500	11.77909	19.500	20.30956
3.625	3.65249	11.625	11.91021	19.625	20.44509
3.750	3.77942	11.750	12.04141	19.750	20.58068
3.875	3.90642	11.875	12.17269	19.875	20.71635
4.000	4.03348	**12.000**	12.30403	**20.000**	20.85208
4.125	4.16061	12.125	12.43544	20.125	20.98789
4.250	4.28781	12.250	12.56692	20.250	21.12376
4.375	4.41507	12.375	12.69846	20.375	21.25971
4.500	4.54240	12.500	12.83008	20.500	21.39572
4.625	4.66979	12.625	12.96176	20.625	21.53180
4.750	4.79725	12.750	13.09351	20.750	21.66796
4.875	4.92478	12.875	13.22533	20.875	21.80418
5.000	5.05237	**13.000**	13.35721	**21.000**	21.94047
5.125	5.18003	13.125	13.48916	21.125	22.07683
5.250	5.30776	13.250	13.62118	21.250	22.21326
5.375	5.43555	13.375	13.75327	21.375	22.34977
5.500	5.56341	13.500	13.88543	21.500	22.48634
5.625	5.69133	13.625	14.01766	21.625	22.62298
5.750	5.81932	13.750	14.14995	21.750	22.75969
5.875	5.94738	13.875	14.28231	21.875	22.89647
6.000	6.07550	**14.000**	14.41474	**22.000**	23.03332
6.125	6.20369	14.125	14.54724	22.125	23.17024
6.250	6.33195	14.250	14.67981	22.250	23.30724
6.375	6.46027	14.375	14.81244	22.375	23.44430
6.500	6.58866	14.500	14.94514	22.500	23.58143
6.625	6.71711	14.625	15.07791	22.625	23.71863
6.750	6.84564	14.750	15.21075	22.750	23.85590
6.875	6.97423	14.875	15.34366	22.875	23.99324
7.000	7.10288	**15.000**	15.47664	**23.000**	24.13066
7.125	7.23160	15.125	15.60968	23.125	24.26814
7.250	7.36039	15.250	15.74279	23.250	24.40569
7.375	7.48925	15.375	15.87597	23.375	24.54331
7.500	7.61817	15.500	16.00922	23.500	24.68101
7.625	7.74716	15.625	16.14254	23.625	24.81877
7.750	7.87621	15.750	16.27593	23.750	24.95660
7.875	8.00534	15.875	16.40939	23.875	25.09451
8.000	8.13452	**16.000**	16.54291	**24.000**	25.23248
8.125	8.26378	16.125	16.67650	24.125	25.37053
8.250	8.39310	16.250	16.81016	24.250	25.50865
8.375	8.52249	16.375	16.94389	24.375	25.64683
8.500	8.65195	16.500	17.07769	24.500	25.78509
8.625	8.78147	16.625	17.21156	24.625	25.92342
8.750	8.91106	16.750	17.34550	24.750	26.06181
8.875	9.04072	16.875	17.47950	24.875	26.20028
9.000	9.17045	**17.000**	17.61358	**25.000**	26.33882
9.125	9.30024	17.125	17.74772	25.125	26.47743
9.250	9.43010	17.250	17.88193	25.250	26.61611
9.375	9.56002	17.375	18.01621	25.375	26.75486
9.500	9.69002	17.500	18.15056	25.500	26.89369
9.625	9.82008	17.625	18.28498	25.625	27.03258
9.750	9.95021	17.750	18.41947	25.750	27.17154
9.875	10.08040	17.875	18.55403	25.875	27.31058
10.000	10.21066	**18.000**	18.68865	**26.000**	27.44969
10.125	10.34099	18.125	18.82335	26.125	27.58886
10.250	10.47139	18.250	18.95811	26.250	27.72811
10.375	10.60185	18.375	19.09295	26.375	27.86743
10.500	10.73238	18.500	19.27785	26.500	28.00682

10.625	10.86298	18.625	19.36282	26.625	28.14628
10.750	10.99365	18.750	19.49766	26.750	28.28581
10.875	11.12438	18.875	19.63297	26.875	28.42541

6. All payments to be made under this Charge shall be paid to the Bank at its head office in Toronto or otherwise as the Bank may from time to time in writing direct. Payments to the Bank under this Charge shall only be made between the hours of 9:00 a.m. and 3:00 p.m. on days on which the Bank is open for business and shall be payable at par in Canadian funds. It is agreed that any payment received by the Bank after 3:00 p.m. shall be deemed to have been received on the first day next following on which the Bank is open for business and interest at the Interest Rate shall be charged and paid accordingly.

7.

(a) Interest on the amounts from time to time advanced pursuant to this Charge, shall be computed from and including the respective dates of such advances until the Interest Adjustment Date and shall become due and payable on the Interest Adjustment Date. After the Interest Adjustment Date the Principal Amount together with interest thereon at the Interest Rate both before and after default and before and after maturity, computed from the Interest Adjustment Date, will become due and be paid by equal Monthly Instalments commencing on the First Payment Date and thereafter on each Payment Date to and including the Balance Due Date at which time the balance of the Principal Amount and the interest thereon together with all other money of which payment is secured by this Charge shall become due and be paid. Each of the equal Monthly Instalment payments shall firstly be applied to interest and secondly, if applicable, to premiums for life or other insurance selected by the Chargor for the Charge and the balance, if any, to principal except after default when the Bank may apply any payments received during the period of default in whatever order it elects as between principal, taxes, interest, repairs, insurance premiums, utility charges or other advances made by the Bank to realize or protect its security; and any principal or interest in arrears shall bear compound interest at the Interest Rate; and if interest and compound interest are not paid on the next interest payment date after the date of default, compound interest shall be payable on the aggregate amount then due as well after as before maturity and both before and after judgement and all such interest and compound interest shall be a charge on the Property.

(b) Notwithstanding paragraph 7(a) the Bank may at its option require such interest on the amounts advanced from time to time prior to the Interest Adjustment Date to be paid in instalments in accordance with notice from the Bank or may deduct such interest from any subsequent advance.

8.

(a) The respective portion of interest and principal which comprise each Monthly Instalment will vary as the Mortgage Prime Rate, and therefore the Interest Rate varies. Each time a Monthly Instalment is not sufficient to pay all accrued interest and, if applicable, life and other insurance premiums on the date of such payment, the unpaid part of the interest and premiums will be deferred ("Deferred Interest") and will be a charge on the Property and bear interest at the Interest Rate;

(b) If the Principal Amount outstanding together with the Deferred Interest accumulated at any time exceeds 75% of the value of the Property based on the appraised value at the time the Charge was made (the "Loan to Value"), the borrower may:

(i) pay an additional amount sufficient to reduce the Loan to Value to no more than 75%;

(ii) increase the Monthly Instalment to amounts sufficient to reduce the Loan to Value to no more than 75% in the next three instalment payments and to thereafter maintain the Loan to Value at not more than 75%; or,

(iii) convert the Charge to a fixed interest rate on terms then offered by the Bank, with mortgage insurance if required; or,

(iv) have an appraisal of the Property made at the Chargor's expense which shows to the satisfaction of the Bank that the Principal Amount and Deferred Interest outstanding do not exceed the Loan to Value based on that current appraisal.

The Bank may at any time send notice to the Chargor that the Loan to Value exceeds 75% and if the Chargor fails to exercise one of the above choices within thirty (30) days of the Bank sending such notice, the Principal Amount and all other amounts secured by the Charge will at the option of the Bank forthwith become due and payable;

(c) The Chargor may at any time when not in default convert the amount outstanding on the Charge to a fixed rate mortgage at the rates and for the terms then offered by the Bank . A conversion administration fee may apply.

9. For the purpose of the application of section 10 of the Interest Act (Canada) or section 17 of the Mortgages Act of Ontario or any similar federal or provincial legislation permitting prepayment, the date of this Charge and the date on which the term of this Charge begins shall be deemed to be the Interest Adjustment Date.

10. The Chargor agrees with the Bank that:

(a) the Chargor will pay to the Bank without deduction or abatement the Principal Amount and interest at the Interest Rate both before and after default and before and after maturity, demand and judgement in the manner of payment provided by this Charge;

(b) the Chargor has a good title in fee simple to the Property;

(c) the Chargor has the right to make this Charge;

(d) on default the Bank shall have quiet possession of the Property free from all encumbrances except those disclosed at the date of this Charge by the records of the Land Registry Office and as agreed to by the Bank;

(e) the Chargor will execute such further assurances of the Property as may be requisite;

(f) the Chargor has done no act to encumber the Property except as the records of the Land Registry Office disclose; the Chargor shall not without the Bank's prior written approval charge or encumber the Property or any part thereof or interest therein or permit any lien or charge thereon except a charge for current municipal taxes.

(g) the Chargor will insure and keep insured the buildings, structures and improvements forming part of the Property to the amount in lawful money of Canada of their full replacement value and not less than the Principal Amount, on an all risks basis, in a policy with such insurer as may be acceptable to the Bank and containing no coinsurance clause but containing a by-law endorsement and a mortgagee's clause in the form approved by the Insurance Bureau of Canada naming the Bank as first loss payee or as its interests may appear; and the Chargor will at least fifteen (15) days prior to expiry or cancellation of the policy, deliver to the Bank acceptable evidence of renewal or replacement thereof; and (without prejudice to the foregoing covenant of the Chargor in this section 10 (g)) it is further agreed that the Bank may require any insurance of the said buildings, structures and improvements to be cancelled and a new insurance policy effected with an insurance company to be named by the Bank and also may of its own accord effect or maintain in its own name any insurance which it considers appropriate and any amount paid by the Bank therefor shall be forthwith payable to the Bank with interest at the Interest Rate by the Chargor and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured; and in the event of a loss, the Chargor shall (i) immediately notify the Bank which shall have the right at its discretion, to apply the proceeds of each policy to reduce any indebtedness to it of the Chargor or to pay the cost of repairs or reconstruction; and (ii) furnish at his own expense all necessary proofs and do all things necessary to enable the Bank to obtain payment of the insurance proceeds and the production of this Charge shall be sufficient authority for the insurer to pay such proceeds to the Bank and the insurer is hereby directed to pay the same to the Bank;

(h) upon default in payment of principal or interest secured by the Charge or any part thereof or in performance of any of the terms and conditions hereof, the Bank may immediately enter into and take possession of the Property free from all manner of former conveyances, mortgages, charges or encumbrances without let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever and also on default of payment for at least fifteen days the Bank may on at least fifteen days' notice enter on and lease teh Property or on default of payment for at least thirty-five days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements are not applicable, the foregoing power of sale may be exercised without notice or different notice than specified above. Notice may be effectually given by leaving it with a grown-up person on the Property if occupied, or, if unoccupied by posting it on any improvement on the Property or at the Bank's option, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county, district or regional municipality in which the Property is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. Provided further, without prejudice to the powers of the Bank under the foregoing provision, that in case default be made in any payment required to be made by the Chargor under this Charge and such default continues for two months after any payment falls due, then the Bank may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however that if the giving of notice by the Bank shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is further agreed that the whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges or expenses incurred in taking, recovering, protecting or keeping possession of the Property or enforcing the security or procuring payment of moneys secured hereby or otherwise, and that the Bank may sell the Property or any part thereof on such terms as to credit or otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Bank shall be bound to pay the Chargor only such money as have been actually received from the purchaser after satisfaction of the claims of the Bank and others entitled and for any of the said purposes may make and execute all agreements and assurances as the Bank thinks fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; the costs of any sale proceedings, whether such sale proves abortive or not, and all costs, charges and expenses incurred in inspecting the Property or in taking recovery or keeping possession of the Property or in enforcing this security or in procuring payment of the monies secured by this Charge shall be added to the Principal Amount, bear interest at the Interest Rate until paid and be a charge on the Property prior to all claims subsequent to this Charge;

(i) the Bank may distrain against the Property for arrears of interest and for any instalment in arrears and unpaid, and for any other sums of money lawfully charged against the Property;

(j) the Chargor will keep the Property in good condition and repair according to the nature and description thereof and shall refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Property; and the Bank may, whenever it deems necessary, by its surveyor, servant or agent enter upon and inspect the Property and the interior of the buildings, structures and improvements and the reasonable cost of such inspection shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and if the Chargor neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property (as to which the Bank shall be sole judge) or makes default as to any of the covenants or provisions contained in the Charge, (and without limiting the generality of the foregoing if the Chargor fails to pay realty taxes, utility accounts or insurance premiums) the whole money hereby secured shall at the option of the Bank forthwith become due and payable, and all powers contained in this Charge may be exercised at the option of the Bank; and the Bank may pay the taxes, utility accounts or insurance premiums and may make such repairs as it deems necessary, and the costs of making such repairs or the amount so paid as the case may be, shall be a charge upon the Property prior to all claims subsequent to this Charge and be payable with interest at the Interest Rate until paid; and

(k) the Chargor shall pay as and when due all monies payable under charges in priority to this Charge and observe and perform all the terms, provisions, convenants and conditions in such prior encumbrances; and the Chargor will duly pay all rates, taxes (including municipal taxes, amounts that are deemed to be taxes, school taxes and local improvement rates) levies and assessments whatsoever affecting the Property, all utility accounts and all premiums for insurance effected pursuant to this Charge; and within thirty days after the end of each calendar year the Chargor will produce to and leave with the Bank, the duly receipted realty tax bills and utility service bills confirming payment in full relating to the Property for the previous calendar year;

(l) the Chargor shall comply with all laws, by-laws and regulations affecting the Property of any governmental authority or agent having jurisdiction including all Requirements of Environmental Law and at the Chargor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any requirement or change in use that may be required from time to time to effect such compliance. Without limiting the foregoing, the Bank or its agent may from time to time enter upon the Property and inspect the same and make such repairs and conduct such environmental audits or site assessments, surveys and tests, (including taking soil, ground water or other samples), as the Bank deems necessary without thereby being deemed a mortgagee in possession and the reasonable cost of these shall be added to the Principal Amount and be secured by this Charge and shall be a charge on the Property;

(m) the Chargor shall notify the Bank promptly of any event or occurrence that will, or is likely to, give rise to a report, inquiry or investigation relating to a matter that may have a material adverse effect on the Chargor or the Property, or any action, suit or proceeding against the Chargor or others having an interest in the Property relating to, or a violation of, the Requirements of Environmental Law;

(n) the Chargor shall provide to the Bank upon request such information, certificates, or statutory declarations as to, and shall conduct such environmental audits or site assessments as may be reasonably necessary to ensure, the compliance with all Requirements of Environmental Law;

(o) the Chargor shall execute all consents, authorizations and directions that are required to permit any inspection or review of the Property and the activities carried out thereon and hereby consents to the release to the Bank, or its representatives, of information relating to the Property and the activities carried out thereon and compliance by the Chargor and others having an interest in the Property with all Requirements of Environmental Law;

(p) if the Property is a condominium unit or units and its or their appurtenant common interest then:

  (i) subsection 10 (g) does not apply to the extent only that the Condominium Corporation maintains insurance that the Chargor would otherwise be responsible to obtain and maintain under that subsection, for so long as the Condominium continues in existence;

  (ii) the Chargor agrees to comply with all of the terms imposed by the Condominium Act as amended from time to time, the declaration of the Condominium, the by-laws and rules of the Condominium Corporation, all as amended from time to time.

  (iii) the Chargor agrees to pay contributions to the common expenses of Condominium Corporation as they fall due and in default of so doing, the Bank may at its option pay these contributions and such amounts will be added to the debt secured by the Charge, be a charge against the Property and be immediately due and payable by the Chargor;

  (iv) the Chargor authorizes and empowers the Bank to exercise its right as an owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that until the Bank gives notice in writing to the Chargor and to the Condominium Corporation, the Chargor may exercise the right to vote and to consent. The Bank is not under any obligation to vote or consent or protect the Chargor's interest and the exercise by the Bank of the right to vote or consent will not constitute the Bank a mortgagee in possession of the Property; and

  (v) the Chargor hereby assigns to the Bank the proceeds of all insurance money that may be payable to the Chargor by the insurance trustee for the Condominium Corporation or otherwise.

11. The Chargor and the Bank agree that:

(a) if the Chargor is in default of any payment of monies hereunder and in particular of any premium of insurance or any taxes, rates, levies or assessments which shall from time to time fall due with respect to the Property to be paid by the Chargor under the provisions of this Charge, or if there is any lien or other encumbrance affecting the Property to which the Bank has not consented in writing the Bank may pay the whole or any part of such amounts, though the Bank is not obligated to do so, and the amount so paid by the Bank together with all costs, charges, legal fees and expenses incurred in connection therewith shall be added to the Principal Amount hereby secured, be a charge on the property, bear interest at the Interest Rate, and be payable to the Bank forthwith, and in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; and the Bank may also pay or satisfy any lien, charge or encumbrance now existing or hereafter created upon the Property and any amount so paid shall be repaid in accordance with this subsection; and if the Bank pays or satisfies such charge, lien or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid off, and it may retain any discharge thereof without registration for so long as it thinks fit;

(b) the Chargor shall pay to the Bank upon request all fees, charges, expenses and disbursements of the Bank (including all legal costs of the Bank on a solicitor and his client basis) incidental to:

   (i) the negotiating of the loan contemplated in this Charge, investigating title, preparing, executing and registering this Charge and other necessary documents and any renewal, amendment or discharge of this Charge,

   (ii) all proceedings taken by the Bank to enforce this Charge or the remedies under it, whether or not any legal action has taken place, and

   (iii) generally in any other proceedings taken in connection with or to realize or protect the Property or this security.

In the event of non-payment of the said costs, expenses and charges within thirty days of the request, the amount thereof shall be added to the Principal Amount hereby secured, bear interest at the Interest Rate until paid and be payable to the Bank forthwith and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge or existing at law, in equity or otherwise shall become exercisable;

(c) if the Chargor is in default in the payment of any of the Monthly Instalments or of any part thereof, or in the payment of any other sum of money secured by this Charge, or in the performance or observance of any covenant, agreement, proviso or condition herein contained, or in any other written agreement between the Chargor and the Bank (including without limitation the commitment letter or facility letter relating to this loan if any), on the part of the Chargor to be performed or observed, or in failing to pay on the Balance Due Date any amount then outstanding, then in such case the Principal Amount and all interest shall, at the option of the Bank become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable; provided that the Bank may in writing at any time or times after default waive such default, and upon such waiver the time or times for payment of the Principal Amount and interest shall be as set out in the repayment provisions in this Charge. Such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default;

(d) no extension of time for the doing of anything required by this Charge, which shall have been given by the Bank to the Chargor, his successors or assigns shall affect or postpone any of the rights of the Bank, either against the Chargor or any other person liable for the payment of the money hereby secured and the Chargor and such other person shall continue to be liable for the repayment of the Principal Amount with interest; the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest despite the fact that there may be subsequent encumbrancers and it shall not be necessary to obtain the consent of any subsequent encumbrancer to the renewal or increase in interest rate or to register any such agreement in order to retain priority for the charge so altered over any instrument registered subsequently to the Charge. Nothing contained in this subparagraph 11 (d) confers any right of renewal or extension upon the Chargor;

(e) until this Charge has been discharged, the Chargor will not transfer or sell or lease or enter into any agreement for sale of the whole or any part of the Property or the Chargor's interest therein without first obtaining the written consent of the Bank and, should the Chargor do so, the whole money hereby secured shall, at the option of the Bank, forthwith become due and payable; the Bank may withhold its consent contemplated in this sub-section in its absolute discretion for any reason whatsoever notwithstanding any rule of law or equity to the contrary. The Chargor shall also pay to the Bank a further sum by way of liquidated damages equivalent to six months' interest at the Interest Rate on the Principal Amount then outstanding, to compensate the Bank for its expenses in reinvesting the money so falling due. If the Bank does consent to the transfer or sale, the Chargor shall deliver a copy of the transfer or other document by which the sale or transfer took place as well as an accepted transfer of the insurance policy or new insurance policy showing the transferee as owner, always in compliance with the requirements for insurance set out in this Charge. Notwithstanding the transfer and sale and assumption of the Charge by the transferee from time to time, and notwithstanding dealings between the Bank and any subsequent owner including any extension of time for payment given, the Chargor shall continue to be bound by the provisions hereof and remain liable for repayment of the Principal Amount with interest at the Interest Rate both before and after default and both before and after maturity until paid. If the Chargor is a corporation, a change in control of the Chargor shall be deemed to constitute a transfer of the Property. A change in control of a corporate Chargor shall be deemed to occur if there is a sale, assignment, amalgamation or other transfer of the existing beneficial ownership of more than 50 percent of the voting shares of the Chargor or of any other corporation which directly or indirectly owns more than 50 percent of such shares or controls the corporation;

(f) neither the preparation, execution nor registration of this Charge, nor the advance in part of the moneys secured hereby, shall bind the Bank to advance the said moneys or any unadvanced portion thereof but nevertheless this Charge shall take effect forthwith upon execution of the Form 2 relating to the loan contemplated hereby by the Chargor and the legal and other costs (including consultant's fees, if any) incurred by the Bank in connection with the loan and this charge are added to the Principal Amount and secured hereby;

(g) any notice shall be deemed to be served on the Chargor if:

(i) left with a grown up person on the Property if occupied or if unoccupied, by posting it on any improvement forming part of the Property; or at the Bank's option

(ii) published once in a newspaper circulated in the county, district or regional municipality in which the Property is situate; or at the Bank's option

(iii) mailed, by registered letter, addressed to the Chargor at his last known address in which case it shall be deemed to have been received on the fourth day after mailing, even if the Chargor does not actually receive it;

Such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability.

(h) the taking of a judgment or judgments on any of the agreements or covenants in this Charge shall not operate as a merger of any agreement, agreements, covenant or covenants in the Charge nor affect the Bank's right to interest at the rate and times herein provided; and further, any such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied;

(i) if the Bank incurs any cost or expense arising from or relating to the Ontario New Home Warranties Plan Act as amended from time to time or the regulations thereunder including (without limiting the generality of the foregoing,) any cost or expense relating to registration as a vendor under that act or enroling the Property or entering into any agreement or agreements relating to performance of warranty obligations, or performing any warranty, obligation, and all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(j) if the Bank incurs any cost or expense arising from or relating to the Requirements of Environmental Law, whether such cost or expense was incurred as a result of an order or direction of a court or governmental authority or otherwise, all such costs and expenses shall be added to the debt hereby secured and shall be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate until paid and shall be payable forthwith by the Chargor to the Bank;

(k) the Bank may at its discretion and subject to the provisions of the Planning Act, release any part or parts of the Property or any other security or any surety for the debt secured by the Charge either with or without consideration therefor, without responsibility therefore and without thereby releasing any other part of the Property or any person or other surety from the Charge or from any covenant contained or incorporated in the Charge without being accountable to the Chargor for the value thereof or for any money other than that actually received by the Bank, it being expressly agreed that every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the debt secured by the Charge. No person shall have any right to require the monies secured hereby to be apportioned upon or in respect of any part or parts of the Property and the Bank may from time to time discharge any part or parts, lot or lots of the Property for such consideration as it thinks proper or without consideration if it sees fit, and no such discharge shall diminish or prejudice this security as against thatpart or those parts of the property remaining undischarged or against any person whomsoever.

12.

(a) The Chargor agrees with the Bank to provide forthwith at the Chargor's own expense such additional security, information, documentation and assurances as may be required from time to time by the Bank during the currency of this Charge, to determine, establish and preserve in all respects, the priority of this Charge and all advances made hereunder over any rights of lien claimants pursuant to the provisions of the Construction Lien Act, 1983 (Ontario) as amended from time to time. The Chargor further covenants and agrees with the Bank that if the Bank makes any payment in connection with the determination, establishment or preservation of the priority of this Charge and all advances hereunder, whether such payment is made to a lien claimant or other person claiming an interest in the Property or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be payable to the Bank by the Chargor, be a charge on the Property in priority to all encumbrances subsequent to this Charge, be added to the Principal Amount, bear interest at the Interest Rate and, in default of payment, the Principal Amount and all interest shall, at the option of the Bank, become due and payable and all powers and remedies contained in this Charge, existing at law, in equity or otherwise shall become exercisable.

(b) It is further agreed that the Bank shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this section 12 or in making any payment to preserve, protect or secure the Property.

13. The Chargor further agrees with the Bank that forthwith after any change or happening affecting the Property or the Chargor including but not limited to any of the following, namely

(a) the spousal status of the Chargor,

(b) the qualification of the Property as a matrimonial home within the meaning of the Family Law Act, 1986, as amended from time to time or similar legislation in effect from time to time, or

(c) the ownership of the Property

the Chargor will forthwith advise the Bank in writing accordingly and will forthwith provide the Bank with full particulars thereof so that the Bank is kept fully informed of the names and addresses of the owner or owners from time to time of the Property and of any spouse who is not an owner but who has rights in the Property by virtue of any family law legislation in effect from time to time. The Chargor covenants and agrees to provide the Bank with such evidence in connection with any of (a), (b) and (c) above or any other matter as the Bank may from time to time request. Nothing in this section 13 shall be construed to permit a contravention of section 11 (e) of this Charge.

14. In consideration of the Bank entering into this Charge and loaning money or money's worth to the Chargor, and of other valuable consideration, (the receipt whereof is hereby acknowledged) the Guarantor covenants and agrees for himself, his heirs, executors, administrators and successors as the case may be, with the Bank that:

(a) throughout the term of this Charge and any extension or extensions of the time for payment, the Chargor will duly pay the Principal Amount and interest at the Interest Rate and all moneys at any time secured by this Charge on the day and times required by this Charge and will duly perform and observe all covenants, agreements and provisos in this Charge;

(b) if default be made in payment of the Principal Amount or interest or any other payment required to be made according to the terms hereof, the Guarantor shall forthwith upon-demand pay to the Bank the amount in default together with interest at the Interest Rate;

(c) the Guarantor shall be considered as primarily liable to the Bank in the same manner and to the same extent as if he had executed this Charge as Chargor and shall not be released nor shall the liability hereunder of the Guarantor be limited, lessened or discharged by any variation in or departure from the provisions of this Charge nor by the Bank granting time or other indulgence to the Chargor, assigning this Charge, taking or giving up securities, accepting proposals, granting releases or discharges or otherwise dealing with the Property or the parties hereto or any of them or with any other person or persons or by the release of the Chargor in any creditor, receivership, bankruptcy or other proceedings or by any other thing whatsoever either of a like nature to the foregoing or otherwise whereby as surety only the Guarantor would or might be released;

(d) the Bank shall not be bound to exhaust its recourse against the Chargor or against any other person or persons before enforcing its rights against the Guarantor;

(e) if this Charge is assigned by the Bank, the benefits of the above covenants and guarantee may be assigned with it;

(f) the Guarantor hereby waives all notices of non -performance, non-payment and non-observance on the part of the Chargor of the covenants, agreements and provisions in this Charge;

(g) the terms of this Charge, including this guarantee, shall be interpreted in accordance with the laws of Ontario and the Guarantor attorns to the jurisdiction of the courts of Ontario and agrees that any action that may be brought against him pursuant to this guarantee may be brought in Ontario;

(h) if there is more than one Guarantor or in the event that any Guarantor is a female party or a corporation the provisions of this guarantee section shall be read with all grammatical changes thereby rendered necessary and all covenants of the Guarantor shall be deemed to be joint and several and each Guarantor agrees with the Bank to be jointly and severally liable under this guarantee with the other Guarantors and the Chargor.

The Guarantor acknowledges having read this Charge and is fully aware of its terms and, in particular, the terms of this guarantee.

15. This Charge and everything contained in this Charge shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of each and every one of the parties hereto and words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include females and corporations and the provisions hereof shall be

read with all grammatical changes thereby rendered necessary. If there is more than one Chargor all covenants shall be deemed to be joint and several. Each obligation of the Chargor expressed in this Charge, even though not expressed as a covenant, is considered for all purposes to be a covenant of the Chargor.

16. If any of the forms of words contained in this Charge are also contained in Column One of Schedule B of the Short Forms of Mortgages Act R.S.O. 1980 c.474, as amended and/or restated from time to time and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said act distinguished by the same number, and, to the extent permitted by law, this Charge shall be interpreted as if the Short Forms of Mortgages Act still applied to this Charge. If any such forms of words or any other terms of this Charge are inconsistent with any of the covenants provided for in Section 7 of the Act, any such covenant so provided for in the Act, to the extent that it is so inconsistent, is expressly excluded from the terms of this Charge.

17. If any term, covenant or condition of this Charge is to any extent, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the remainder of this Charge shall not be affected thereby and each term, covenant and condition of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

DATED the 14th day of May, 2002.

INTESABCI CANADA
by its solicitors
GOWLING LAFLEUR HENDERSON LLP
Per:

Harry R. VanderLugt

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STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200214 Cote

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200215 Cote
Filing Date May 22, 2002 Date de Dépôt
Page 1 of/de Sixteen (16) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS

Filed by: INTERNATIONAL COMMERCIAL BANK OF CATHAY (CANADA)
Filing Number: 200215 **Filing Date:** May 22, 2002

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by any additions, amendments or deletions in any attached Schedule.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act* (Ontario), as amended or replaced;
Bank means the International Commercial Bank of Cathay (Canada);
Borrower, you and **your** mean each person who signs the mortgage as chargor(s);
CMHC means Canada Mortgage and Housing Corporation;
GEMI means GE Capital Mortgage Insurance Company (Canada);
interest adjustment date means the date specified in the Registered Document;
Lender, we, our and **us** mean the Bank, as chargee;
loan amount means the principal amount, interest and all other amounts owing to us from time to time under the Mortgage;
Mortgage or Charge, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;
paragraph refers to a numbered paragraph in this set of standard charge terms;
principal amount means the amount set out in the Registered Document;
Registered Document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this Mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;
Schedule means any schedule attached to the Charge/Mortgage of Land; and
your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in subsection 7(1) of the Act are excluded from the Mortgage.

3. OUR LOAN TO YOU

In return for us lending to you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the Mortgage you acknowledge having received from us):

(a) if you are the owner of your property, you charge your entire interest in your property to us; or

(b) if you are a tenant or lessee of your property under a lease, you charge your entire interest (including any option or right of first refusal to purchase) in your property for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the Mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the Mortgage and you have complied with all of your other obligations under the Mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the Registered Document. Interest is payable at the frequency set out in the Registered Document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on the interest adjustment date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date, default and judgment or any of these events, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. LOWER THAN PRIME VARIABLE, VARIABLE AND VARIABLE CAP INTEREST RATES (Applicable only to Lower Than Prime Variable, Variable Rate Open and Variable Cap Rate Mortgages)

(a) Interest Rate

The interest rate payable by you specified in the Registered Document is a variable rate per annum equals to:

(i) the Bank's Mortgage Prime Rate as declared from time to time (the "Mortgage Prime Rate") in the case of Variable Rate Open and Variable Cap Rate mortgages, or

(ii) the Lower Than Prime mortgage rate of the Bank as declared from time to time (the "Lower Than Prime Mortgage Rate") in the case of Lower Than Prime variable rate mortgage plus a certain number of percentage points per annum specified in the Registered Document. The interest rate will vary each time there is a change in the Mortgage Prime Rate or the Lower Than Prime Mortgage Rate, as the case may be, without any notice to you. At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated monthly not in advance, and is payable on the loan amount both before and after the balance due date, default and judgment or any of these events, until the loan amount has been paid in full.

Paragraph 45 shows equivalent interest rates calculated semi-annually not in advance for current mortgage rates calculated monthly not in advance, and Paragraph 46 shows how to calculate how much of each monthly payment is interest and how much, if any, is principal.

(b) How You May Determine the Interest Rate

The Mortgage Prime Rate or the Lower Than Prime Mortgage Rate, as applicable, and the current mortgage rate payable on the loan amount remain in effect until varied as provided under subparagraph 5(a). Within a reasonable time after each change in the Mortgage Prime Rate or the Lower Than Prime Mortgage Rate, as applicable, we may mail to you, at your last known address according to our records, a notice of the changed Mortgage Prime Rate or the Lower Than Prime Mortgage Rate, as applicable, its effective date, the current mortgage rate and its equivalent, calculated semi-annually, not in advance. The interest rate will still vary under subparagraph 5(a) even if we fail to send you such a notice or you fail to receive it. The Mortgage Prime Rate and Lower Than Prime Mortgage Rate in effect at any time are available at any branch of the Bank in Canada.

(c) Deferred Interest

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest that has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You must pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

(d) **Variable Cap Rate** (Applicable only to Variable Cap Rate Mortgages)

Although your current mortgage rate will vary as provided for in subparagraph 5(a), during the term of the mortgage, it will never exceed the cap rate specified in the Registered Document.

6. COMPOUND INTEREST

If you do not make the regular mortgage payment or any other required payment of the Mortgage, we will charge interest at the rate provided for in the Mortgage (called "compound interest") both before and after the balance due date set out in the Registered Document, default and judgment or any one of these events on all overdue amounts (including interest). You must pay this additional compound interest immediately when we require, both before and after the balance due date, default and judgment or any one of these events.

7. REPAYMENT OF LOAN AMOUNT

(a) Currency and Place

You will pay the loan amount to us in Canadian Dollars, at the address set out in the Registered Document or as we may notify you in writing.

(b) Interest Adjustment Date

(i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance, at the rate specified in the Registered Document in effect on the date of advance, and at our sole option, which you will pay or we will deduct on the interest adjustment date, or we will deduct from any advance or advances which we make, or we will deduct on the first regular mortgage payment date. If you have a Variable Cap Rate mortgage, interest will be calculated at the lesser of the rate specified in the Registered Document in effect on the date of advance or the cap rate specified in the Registered Document, if any.

(ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the Mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the Mortgage. When more than 30 days elapse between advances, you will pay interest promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the Mortgage will be deducted from the last advance.

(c) Regular Payments

You will make regular payments of principal and interest to us on the payment dates specified in the Registered Document, each in the amount specified in the Registered Document, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date at the time offered for the applicable term for your type of Mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the Registered Document.

(d) Term/Amortization (Applicable only to Lower Than Prime Variable Rate and Variable Rate Mortgages)

The annual interest rate specified in your Mortgage is subject to variations as set out in here. The principal and interest payment however, is fixed during the term of the Mortgage unless you change it pursuant to the terms of your Mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your combined principal and interest payment will no longer cover the interest portion of your Mortgage owing, with the result that the amortization period of the Mortgage may increase. In such an event, you shall be required to increase the amount of your regular principal and interest payment so that the Mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the Mortgage.

(e) Payment Provisions on Default

If you fail to make any payment or do not meet any of your other obligations under the Mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and life insurance premiums (if applicable) on a monthly basis. In such an event, we may require you to pay interest on the loan amount to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 20.

(f) Bank Account for Payments

You must maintain an account of a type satisfactory to us with a branch of the Bank in Canada, and provide an authorization in a form satisfactory to us to automatically debit your account for each payment of principal, interest, taxes and life insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment.

Failure to maintain sufficient funds in the account, cancellation of the authorization, or closing the account will be considered to be an act of default under the Mortgage. You agree to pay us our administration and processing fees for any actions that we have to take under this paragraph.

8. HOW WE APPLY YOUR PAYMENTS

Each of your regular payments will be used in the order to pay as follows: a) collection expenses, if any; b) life insurance premiums, if any; c) payments to third parties or amounts that are debited in respect of the Mortgage, including but not limited to taxes; d) to pay interest or reduce the interest (other than deferred interest) on the principal amount accumulated to, but not including, the payment date; and e) to reduce the principal amount. However, if you do not meet any of your obligations under the Mortgage, we may apply your payment or any other money we receive from you towards any part of the outstanding loan amount that we choose in our sole discretion. You may pay arrears of interest by separate payment, as your regular payment will not be applied to such interest. You may obtain the amount of interest in arrears from us.

9. YOUR PREPAYMENT RIGHTS (Applicable to All Mortgages)

9.1 If the term of the Mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act* (Canada), you may prepay the outstanding principal amount of the Mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the Registered Document on the principal amount in lieu of notice.

9.2 If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* (Canada) and the term of the Mortgage is greater than three years, you may prepay the principal amount of the Mortgage at any time after the end of the third year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the Registered Document on the principal amount in lieu of notice.

9.3 If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

9.4 If you have complied with all your obligations under the Mortgage and your property either contains no more than four living units (or no more than three living units if it is a CMHC or GEMI insured Lower Than Prime Variable Rate, Variable Rate Open or Variable Cap Rate mortgage), or is a single residential condominium unit, then you have the following prepayment rights:

(a) Standard Prepayment Privileges

IF YOU HAVE A FIXED RATE CLOSED, A SIX MONTH TERM CONVERTIBLE CLOSED, A LOWER THAN PRIME VARIABLE RATE OR A VARIABLE CAP RATE MORTGAGE:

(i) In each calendar year, you may increase the amount of your regular principal and interest payment without penalty. The total of these increases during the term of your Mortgage may not exceed one hundred percent (100%) of the amount of the original regular mortgage payment payable under the Mortgage. You may also decrease the amount of your regular principal and interest payment, provided that the resulting amortization period does not exceed the original amortization period, less the amount of time that has elapsed since you took out the Mortgage.

(ii) In each calendar year, you may prepay up to 10% of the original principal amount of your Mortgage, without notice, bonus or penalty. Each prepayment will be made on a regular payment date and shall not be less than $100. If you do not use this privilege in a calendar year, you cannot carry forward this privilege of prepayment for that calendar year to any following calendar year. This privilege of prepayment does not apply if you prepay in full the principal amount of your Mortgage. This is so even if you have not used the privilege of prepayment in the calendar year during which the Mortgage is prepaid in full.

(iii) In addition:

(1) **IF YOU HAVE A VARIABLE CAP RATE MORTGAGE**, you may prepay the principal amount of the Mortgage in full or in part without notice upon payment of three months' interest calculated at the cap rate on the amount prepaid.

(2) **IF YOU HAVE A FIXED RATE CLOSED OR A 6-MONTH TERM CONVERTIBLE CLOSED MORTGAGE**, subject to subparagraph 9.2 above for CMHC or GEMI insured mortgages, you may prepay the principal amount of the Mortgage in full or in part without notice, upon payment of an amount equal to the greater of:

(2.1) three months' interest at the rate specified in the Registered Document, or if renewed or early renewed at the rate for your chosen renewal option, on the amount you prepaid; and

(2.2) the amount, if any, by which interest specified in the Registered Document, or if renewed or early renewed at the rate for your chosen renewal option, exceeds interest at the current reinvestment interest rate, calculated on the amount you prepaid for the remaining term of the Mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the Mortgage.

(3) **IF YOU HAVE A LOWER THAN PRIME VARIABLE RATE MORTGAGE**, you may prepay the principal amount of the Mortgage in full or in part without notice, upon payment of three months' interest calculated at the interest rate that you are paying on the date of prepayment.

(b) **Open Prepayment Privileges**
IF YOU HAVE A FIXED RATE OPEN OR A VARIABLE RATE OPEN MORTGAGE:

You may prepay all or any part of the principal amount (and/or deferred interest if you have a Variable Rate Open mortgage) on any regular mortgage payment date (or at any time if you have a Variable Rate Open mortgage) without notice, bonus or penalty.

You may renew your Mortgage before its term has ended without penalty by personally applying at any branch of the Bank in Canada. Your only payment for this service is our regular administration fee.

10. EARLY RENEWAL (Applicable only to Fixed Rate Open Mortgages)

(a) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no right of early renewal.

(b) If you have complied with all your obligations under the Mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the Mortgage before the balance due date set out in the Registered Document. You must apply in person to use this right of early renewal at any branch of the Bank in Canada. You will be able to renew the Mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the Mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program you select in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

11. DESIGNATED AMOUNT (Applicable only to Lower Than Prime Variable Rate, Variable Rate Open and Variable Cap Rate Mortgages)

(a) "Designated Amount" shall mean the *lesser* of:

(i) the original principal amount; and

(ii) (1) if you have a conventional mortgage – 75% or such lesser percentage as we determine in our sole discretion of the fair market value of your property as established by an up-to-date appraisal report of your property which either we may obtain, at your expense, from a real estate appraiser selected by us (who may be an employee of ours) or which you select, provided that your selection of such a real estate appraiser is first approved in writing by us; or

(2) if you have a CMHC or GEMI insured mortgage – the *lesser* of:

(2.1)90% for Lower Than Prime Variable Rate and Variable Rate Open mortgages (95% for Variable Cap Rate mortgages) of the lesser of the appraised value or purchase price of your property, plus the CMHC or GEMI insurance premium; and

(2.2)105% of the original balance of the Mortgage including the CMHC or GEMI insurance premium.

(b) If the loan amount exceeds the Designated Amount, you shall be required to take one of the following actions:

(i) increase the amount of each regular payment under the mortgage in order to amortize the Mortgage over the remaining amortization period;

(ii) reduce the total amount of the loan amount then owing by making a lump sum payment sufficient to reduce such total amount to a point below the Designated Amount; or

(iii) convert the Mortgage to a fixed rate mortgage having equal monthly payments.

If you are unable to do any one of (I), (ii) or (iii) above, then in our sole discretion, the Mortgage will immediately become due and payable.

12. CONVERTIBILITY (Applicable only to 6-Month Term Convertible Closed, Lower Than Prime Variable Rate, Variable Rate Open and Variable Cap Rate Mortgages)

(a) If you have complied with all your obligations under the Mortgage, you may convert the Mortgage to a fixed rate mortgage with the interest rate and containing the terms and provisions that are offered by us to you at the time of conversion. The following conditions also apply:

(i) **IF YOU HAVE A 6-MONTH TERM CONVERTIBLE CLOSED MORTGAGE**, your property must contain no more than four living units (unless it is a single residential condominium unit) and the Mortgage must be converted to a fixed rate closed mortgage having a term of one year or greater, or a five year term Variable Cap Rate mortgage, or a five year term Lower Than Prime variable rate mortgage; or

(ii) **IF YOU HAVE A VARIABLE CAP RATE MORTGAGE**, you must pay three months' interest on the principal outstanding at the time of conversion calculated at the cap rate; or

(iii) **IF YOU HAVE A LOWER THAN PRIME VARIABLE RATE MORTGAGE**, you must convert to a fixed rate mortgage having a term of three years of greater.

(b) You must apply to use this right of conversion in person at any branch of the Bank in Canada. You will be able to convert the Mortgage by selecting from the mortgage options and programs that we offer at the time you apply for conversion and you must sign our mortgage amending agreement which will contain all amended terms, conditions and provisions of the Mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program you select in effect at the date that you sign the mortgage amending agreement. You agree to pay us any processing or administration fees in connection with the conversion, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the conversion documentation and its registration.

(c) Once the Mortgage has been converted, the prepayment privileges of the Mortgage will no longer apply and the prepayment privileges, if any, will be contained in the conversion documentation.

13. CERTAIN PROMISES YOU MAKE TO US

(a) You certify and agree with us that:

(i) you will pay the loan amount as required by the Mortgage, will pay property taxes assessed against your property in full and on time and will comply with all other obligations of the mortgage;

(ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property, other than those encumbrances as disclosed to us in writing and accepted by us in writing;

(iii) you have the right to give us the mortgage;

(iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the relevant land registry office and except for building and zoning by-laws, with which you have complied;

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200215

(v) to the best of your knowledge and belief, after reasonable enquiry and investigation:

(1) no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and

(2) no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit must be satisfactory to us, but such audit does not relieve you from your obligations under this subparagraph;

(vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that the loan amount is adequately secured;

(vii) if you default in any of your obligations under the mortgage, we may take possession of your property without any encumbrances or interference; and

(viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

(b) If you are a tenant or lessee of your property, you also certify and agree with us that:

(i) your property is leased to you under a valid lease, a copy of which you have given to us and that you have a good leasehold title to your property;

(ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the Mortgage;

(iii) you have the consent of your landlord or lessor, or you have the right without his or her consent, to charge your interest in the lease to us;

(iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the relevant land registry office and except for building and zoning by-laws, with which you and your landlord have complied with;

(v) you will pay rents and other payments required by the lease as they become due;

(vi) you will comply with all your other obligations set out in the lease;

(vii) you will not surrender the lease or cause it to be terminated;

(viii) you will not make any change in the lease without first obtaining our written consent;

(ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;

(x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that the loan amount is adequately secured;

(xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;

(xii) you will hold your property on the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this subparagraph as you already have under the other provisions of the Mortgage and at law;

(xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the Mortgage, particularly those referred to in subparagraph 25(a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;

(xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 25 and, in particular, under subparagraph 25(a)(iv); and

(xv) we may remove you or any other person as trustee of the trust referred to in subparagraph 13(b)(xiii) and appoint a new trustee or trustees.

14. DEMOLITION AND ALTERATIONS

(a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.

(b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us, and if you do not pay them, we will add them to the loan amount and will bear interest at the rate specified in the Registered Document. Your refusal and/or failure to pay our expenses herein will be considered an act of default under your Mortgage, and in our sole discretion, the Mortgage will immediately become due and payable.

15. INSURANCE (Paragraph 15 does not apply if your property is a single residential condominium unit)

(a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their full replacement value in Canadian dollars until the Mortgage has been discharged. The risks that you must insure against include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property, then you must also insure and keep insured, until the Mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.

(b) All insurance policies must be carried with a company or companies satisfactory to us and must contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.

(c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money that we pay for insurance will be immediately payable by you to us or added to the loan amount if not so paid and will bear interest at the rate specified in the Registered Document.

(d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, in our sole discretion, in whole or in part be:

(i) used to repair or rebuild your property;

(ii) paid to you; and/or

(iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

16. PROPERTY TAXES

(a) "Taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.

(b) Before or on the interest adjustment date, we may withhold from any advance under the Mortgage any amount we feel necessary to pay current or future taxes.

(c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment calculated as below, based on our estimation of the annual taxes that will be payable for the year following such regular mortgage payment date. The amount of each tax instalment shall be:

(i) if the payments of the principal and interest are weekly:
estimated annual taxes x 7/365

(ii) if the payments of the principal and interest are bi-weekly:
estimated annual taxes x 14/365

(iii) if the payments of the principal and interest are semi-monthly:
estimated annual taxes x 1/24

(iv) if the payments of the principal and interest are monthly:
estimated annual taxes x 1/12

(d) if you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in subparagraph 16(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand, and if you do not pay them, we will add them to the loan amount, and they will bear interest at the rate specified in the Registered Document. Your refusal and/or failure to pay any taxes will be considered an act of default under the Mortgage, and in our sole discretion, the Mortgage will immediately become due and payable.

(e) You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them. We do not have to hold any moneys that you send us under this paragraph 16 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the Mortgage, we may if we wish, apply any moneys that we receive under this paragraph 16 to any portion of the loan amount.

(f) Notwithstanding the provisions of this paragraph 16, we may in our sole discretion choose not to require payment of taxes to us, in which case you will be responsible to pay all taxes on your property. You will provide us by the end of each calendar year with receipted tax bills to prove that all of your taxes have been fully paid. If, for any reason, you do not pay the taxes when required, then subparagraphs 16(a) through (d) will apply.

17. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything that lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow to be done, anything which lowers its value or do not comply with any of your obligations under this paragraph, then we can make whatever repairs that are necessary in our opinion. The costs of repairs and of any inspections are payable by you immediately, and if not paid, will be added to the loan amount and will bear interest at the rate specified in the Registered Document. Your refusal and/or failure to pay any costs of repairs and/or inspections will be considered an act of default under your Mortgage, and in our sole discretion, the Mortgage will immediately become due and payable.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

18. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the Registered Document, then we do not have to do so. This applies even if the Mortgage has been registered and whether or not any part of the principal amount has previously been advanced. Nevertheless, you have charged your property to us and you will pay to us, on demand, all of our costs and expenses, including legal costs on a full indemnity basis, for investigating title to your property and for registering the Mortgage.

19. LEASES AND RENTS

(a) If your property is intended to be used as owner-occupied residential premises, you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without first obtaining our written approval, which we may refuse to provide in our sole discretion.

(b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future, all rents payable under such leases and agreements, and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).

(c) If in the future, you lease any part of your property to another person or persons with our prior written approval then, upon our request, you will:

(i) execute and deliver to us an assignment in registerable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may in our sole discretion, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and

(ii) give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees on a full indemnity basis and registration costs, relating to such additional security.

(d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 19, then in our sole discretion the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

(e) Nothing we do under this paragraph 19 will put us in possession of your property and we are not obligated to collect any rent or income from your property or to comply with any term of any lease or agreement.

(f) Rental of any part of your property without our prior written approval shall be deemed to have been done for the purpose of discouraging us from taking possession of your property in the event that you are not complying with any of your obligations under the Mortgage or adversely affecting the value of our interest in your property within the meaning of subsection 52(1) of the *Mortgages Act* (Ontario), as amended or replaced.

20. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will in our sole discretion immediately become due and payable if:

(a) you do not make any payment required by the Mortgage;

(b) you do not comply with any of your other obligations under the Mortgage;

(c) we discover that any statement, certification, representation or agreement that you have given or made to us in applying for the loan or in the mortgage (including but not limited to those contained in paragraph 13) is untrue;

(d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;

(e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or

(f) your property is abandoned.

We have the right to forgive any of your particular default, but if we do so, we are not forgiving any other existing default or any default or defaults that may occur in the future.

21. BUILDING MORTGAGE

If the Mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications that we have given our prior written approval and to complete the improvement as quickly as possible.

Subject to paragraph 18, we may make advances to you under the Mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this Mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act* (Ontario), as amended or replaced, have been complied with. You authorize us to give information about the Mortgage to anyone who claims a construction lien on your property.

22. RELEASING YOUR LAND FROM THE MORTGAGE

In our sole discretion, we may release our interest under the Mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money that we actually receive. If we release our interest under the Mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the Mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

23. RENEWING OR AMENDING THE MORTGAGE (This paragraph is important to all persons having subsequent interests)

In our sole discretion, the Mortgage may from time to time be renewed, extended or amended by written agreement between you and the Bank. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the Mortgage, as renewed or amended, over any other instrument registered after the Mortgage, whether or not there are any other instruments registered on title to your property after the Mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any Borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

24. CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary in our sole discretion, pay off any encumbrance, claim or lien that has priority over the Mortgage. Also, we can pay all expenses that we incur in collecting any payment under the Mortgage that you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses. Otherwise, all such payments and expenses will be added to the loan amount and will bear interest at the rate specified in the Registered Document. Your refusal and/or failure to pay such payments and expenses will be considered an act of default under the Mortgage, and in our sole discretion, the Mortgage will immediately become due and payable.

If you are a tenant or lessee under a lease of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses that we incur in so doing.

If you do not comply with any of your obligations under the Mortgage, we can, but are not obligated to, perform those obligations. Where you are a tenant or lessee of your property and you refuse and/or fail to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the Mortgage. You must immediately reimburse us for all payments that we have to make and costs that we incur in taking these steps.

Any payments we make under the Mortgage will be added to the loan amount and will bear interest at the rate specified in the Registered Document from the date we pay them. Any interest which accrues as a result of changes you request to the frequency of payments or to the regular payment date will be paid by you or added to the loan amount and will bear interest at the rate specified in the Registered Document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the Mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

25. ENFORCING OUR RIGHTS

(a) **Remedies** – if you do not make any required payment under the Mortgage or do not comply with any of your other obligations under the Mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

(i) **Sue you** – We may take such action as is necessary to collect the loan amount.

(ii) **Foreclosure or sale** – We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

(iii) **Lease your property** – If your default continues for 15 days, we may on 15 days notice to you, enter on and lease your property; if your default continues for 30 days, we may without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

(iv) **Power of sale** – If your default continues for 15 days we may, on at least 35 days written notice to you as required by Part III of the *Mortgages Act* (Ontario), as amended or replaced, enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction, and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

(v) **Enter on your property**– We may enter on your property at any time permitted by law, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount and will bear interest at the rate specified in the Registered Document.

(vi) **Appoint a receiver** – We may by written appointment appoint a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you will solely be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the Mortgage in good standing; pay interest owing under the Mortgage; and pay all or any part of the loan amount whether it is due or not.

(vii) **Cure any defaults** – We may cure any defaults under the Mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

(b) **Non-interference** – if, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

(c) **Our expenses** – All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a full indemnity basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the Mortgage, and a reasonable allowance for the time and services of the Bank and its employees.

(d) **Delay in Enforcement** – Our rights will not be affected if we delay in enforcing any of our rights under the Mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the Mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the Mortgage, we are not obligated to accept any subsequent payment unless you also give us interest to the date of such subsequent payment.

(e) **Judgments** – If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the Mortgage, including our right to receive interest as required by the mortgage.

26. **CONDOMINIUM (If your property is a condominium unit, you must also comply with Paragraph 26 in addition to all other provisions of the Mortgage. You do not however have to comply with paragraph 15.)**

The corporation created by the registration of a declaration under the *Condominium Act, 1998* (Ontario), as amended or replaced, is called the "condominium corporation".

(a) **Compliance with the *Condominium Act etc.*** – You will comply with the *Condominium Act, 1998* and all other applicable statutes, and with the declarations, by-laws, rules and regulations of the condominium corporation (the "condominium documents") as they exist from time to time.

(b) **Payment of Amounts and Common Expenses** – You will pay all amounts required by the *Condominium Act, 1998* and the condominium documents on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments that you are obligated to make, we may do so on your behalf and you will be in default under the Mortgage.

(c) **Notices and Demands** – You will mail to us by prepaid registered mail or deliver to us copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

(d) **Voting Rights** –

(i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act, 1998* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act, 1998* to the condominium corporation.

(ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

(e) **Acceleration of Repayment of Loan Amount** – In our sole discretion, the loan amount will immediately become due and payable if:

(i) the government of the property of the condominium corporation under the *Condominium Act, 1998* is terminated;

(ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;

(iii) the condominium corporation fails to comply with the *Condominium Act, 1998* or with the condominium documents;

(iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement value;

(v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good condition and state of repair; or

(vi) the condominium corporation fails to insure all the condominium units and common elements according to law and according to any additional requirements that we may require, or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** – Under the *Condominium Act, 1998,* the condominium corporation must obtain appropriate insurance. In addition, you must also insure all improvements that have been made to your property against loss or damage by fire and against such additional risks as we may require. We must first approve in writing the insurance company or companies that you select. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us, and if you or the condominium corporation or both fail to keep the required insurance or to provide us with evidence of its renewal at least fifteen days before the termination of any insurance, we are entitled but not obligated to insure the property. In such an event, we will add the amount we pay to insure the property to the loan amount and such amount will bear interest at the rate specified in the Registered Document. Moreover, upon our request, you will promptly provide us with certified copies of every insurance policy covering the property. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the condominium documents. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the condominium documents and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

27. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount, in our sole discretion, will immediately become due and payable in full. Any payment that we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the Mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

(a) we give our prior written approval to you to transfer your property;

(b) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and

(c) you provide us with proof of registration of a Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

28. ASSUMPTION

If you are not the original Borrower, you agree to be bound by all obligations of the original Borrower under the Mortgage.

29. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents, have reason to believe that the property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may at any time before or after default, enter on and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

30. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

31. GUARANTEE

In return for us having made a loan to the Borrower (which in the Mortgage includes the Borrower's successors and assigns), each person who signs the Mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the Mortgage and to observe and perform all other obligations of the Borrower under the Mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the Borrower and with each other for complying with all obligations under the Mortgage.

We may at any time and from time to time without the consent of or notice to any guarantor give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the Mortgage and generally deal with all matters affecting the Mortgage and the obligations of the Borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the Borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the Borrower or any guarantor.

32. RESERVATION OF RIGHTS

You understand and agree that any material change in the conditions of the Mortgage, such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

33. DISCHARGE

After you have paid us the loan amount, we will sign a discharge or, if requested by you, an assignment of the Mortgage and send it to you within a reasonable time. You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on your title and to pay the registration fee. If electronic registration is available for your Mortgage, we will register the discharge on your behalf and at your expense and will provide either you or your solicitor (as applicable) with confirmation of registration.

34. ADMINISTRATION FEES

You agree to pay us, when due, our administration and processing fees in connection with the preparation of any assumption statement, amending or other agreement, statements for information purposes, any fees referred to in subparagraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your Mortgage, and to add any unpaid fees to the loan amount, which will bear interest at the rate specified in the Registered Document. The amount of such fees in effect at any particular time is available from any branch of the Bank in Canada.

35. PORTABILITY

If you have complied with all your obligations under the Mortgage, upon your written application, the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 120 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

(a) on the date of completion of the sale of the property, the loan amount is prepaid in full, and the prepayment of the principal amount outstanding under the Mortgage will be subject to the prepayment provisions described in here that apply to the Mortgage. However, provided the new mortgage is advanced within the 120 day period following prepayment of the Mortgage, we will, subject to subparagraph (c) below, refund to you the amount of any penalty interest paid in respect of this prepayment;

(b) if the principal amount of the new mortgage (the "new mortgage amount") is the same as the principal amount outstanding under the Mortgage at the date of prepayment, the mortgage interest rate will apply to the new mortgage for the period of time equivalent to the time from the prepayment date of the Mortgage to its maturity date (the "remaining term");

(c) if the new mortgage amount is less than the principal amount outstanding under the Mortgage at the date of prepayment, the mortgage interest rate will apply to the new mortgage for the period of time equivalent to the remaining term of the Mortgage, and the penalty interest paid on the amount by which such principal amount outstanding exceeds the new mortgage amount on the date of prepayment will not be refunded to you pursuant to subparagraph (a) above;

(d) if the new mortgage amount exceeds the principal amount outstanding under the Mortgage at the date of prepayment, the new mortgage interest rate will be a rate of interest that blends (i) the mortgage interest rate; and (ii) the rate of interest we offer at that time for a similar type of mortgage with a term similar to the remaining term of the Mortgage. The term of the new mortgage will be for a period equivalent to the remaining term of the Mortgage. The new mortgage that will be registered on title will secure the higher principal amount of the new mortgage; and

(e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new mortgage.

36. FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the Mortgage, and the statements made in the Registered Document, were and are completely truthful and accurate under Part II of the *Family Law Act* (Ontario), as amended or replaced.

37. DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the Mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

38. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the Mortgage with respect to any statutory right of prepayment, the date of the Mortgage will be deemed to be the interest adjustment date set out in the Registered Document.

39. ONTARIO NEW HOME WARRANTY PLAN ACT

If the *Ontario New Home Warranty Plan Act* (Ontario), as amended or replaced, applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

40. WHO IS BOUND

Not only do you agree to be bound by everything, including your obligations, in the Mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The Mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the Mortgage.

If more than one person signs the Mortgage as Borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the Mortgage. If any Borrower or guarantor is female or a corporation, then the Mortgage will be read with all necessary grammatical changes.

41. PARTIAL INVALIDITY

If any provision of the Mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

42. PARAGRAPH HEADINGS

Headings in the Mortgage do not form part of the Mortgage but are used only for ease of reference.

43. NATIONAL HOUSING ACT

All CMHC insured mortgages are made in pursuance of the *National Housing Act* (Canada).

44. MAKING MATERIAL CHANGE

Any agreement to make material changes to the mortgage terms and conditions, including but not limited to any extension of the time for payments, changes in the interest rate or renewals or extensions of the term of the Mortgage, will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

DATED at Toronto this 17th day of May, 2002.

SUN & PARTNERS
Per:

Jimmy K. Sun
Solicitors for International Commercial Bank of Cathay (Canada)

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARG
Filing No. 200215 Co

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200216 Cote
Filing Date June 11 2002 Date de Dépôt
Page 1 of/de Thirteen (13) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Filed by Scotia Mortgage Corporation
The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act.

Variable Rate Charge/Mortgage
(Land Titles Act and Registry Act)

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS NO. 200216

1. DEFINITIONS

In this set of standard charge terms, **mortgage** means a Charge/Mortgage of Land (Form 2) in which the set is referred to by its filing number, any schedules attached to it and this set of standard charge terms. **You** and **your** mean each person who signs the mortgage as chargor. **We, our** and **us** mean Scotia Mortgage Corporation, the chargee. **Your property** means the land described in box 5, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements. **Principal amount** means the amount specified in box 4. **Loan amount** means the outstanding balance of all amounts (including interest) owing to us from time to time under the mortgage, as amended from time to time.

Any reference to a box in this set of standard charge terms refers to a box on Form 2 (including anything set out in a schedule to Form 2 which deals with the subject matter of that box) and any reference to signing the mortgage means signing Form 2 or a schedule to it. References to paragraphs refer to paragraphs of this set of standard charge terms.

If this is a CMHC insured mortgage, it is made pursuant to the **National Housing Act.**

2. WHAT THE MORTGAGE DOES

In return for our making a loan to you in the principal amount (which, by signing the mortgage, you acknowledge having received from us), you:

i) If you are the owner of your property, charge your property to us and our successors and assigns (called our **legal representatives**);

or

ii) If you are a tenant of your property under a lease, charge your interest in your property (including any option to purchase) to us and our legal representatives, for the entire term of the lease;

as security for repayment of the loan amount and the performance of all of your other obligations under the mortgage. This means you charge your entire interest in your property to us and to anyone to whom the mortgage is transferred in any way.

Termination of the Mortgage:

Our interest in the property terminates when you have:

- Repaid the loan amount as provided in the mortgage; and
- Complied with all of your other obligations under the mortgage.

3. INTEREST

A. Interest Rate

The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate plus/minus the number of percentage points per annum specified in box 9(b). Our VRM Base Rate is set on the first of each month equal to the Prime Rate of The Bank of Nova Scotia on that day.

Interest is calculated monthly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically. If The Bank of Nova Scotia Prime Rate changed during the month, your interest rate will not change until the first day of the following month. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate plus or minus the number of percentage points per annum specified on the schedule and payable as set out above.

The VRM Base Rate and the interest rate payable on the loan amount at the time the first person signs the mortgage as (set out in box 9 (b)) will remain in effect after you sign the mortgage until they are varied as provided under this paragraph 3A. Paragraph 28 of this set of terms sets out interest rates calculated half-yearly not in advance which are equivalent to interest rates calculated monthly not in advance.

For CMHC insured mortgages: After an increase in the interest rate payable on the loan amount you may prepay the money owing under the mortgage without notice or bonus or administration fee on the following terms. First, your prepayment must include all the money you owe us under the mortgage, except that the interest from the effective date of the increase to the date of the prepayment will be calculated at the interest rate payable on the loan amount immediately before the increase. Secondly, the prepayment must be made within 21 days after the effective date of the increase. If you do not make the prepayment within that period, you will be bound by the increase.

B. How you Can Ascertain the Interest Rate

After each VRM Base Rate change, we will mail a notice showing your new interest rate and the date it became effective. The notice will be sent to your last known address shown in our records. However, our failure to mail a notice or the fact that you do not receive it will not prevent the rate from varying. The VRM Base Rate in effect at any time will be available at any branch of The Bank of Nova Scotia in Canada.

C. Compound Interest

If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount (including interest) until paid to us. This is called **compound interest**. Compound interest shall be paid on your monthly loan payment dates. We will also charge interest, at the rate payable on the loan amount, on compound interest that is overdue until paid to us, both before and after the final payment date as well as both before and after default and judgment.

D. Deferred Interest

If the interest that has accrued on the loan amount from one monthly loan payment date (or, in the case of the first payment, from the interest adjustment date) to the next monthly loan payment date exceeds the monthly loan payment, the excess (called **deferred interest**) will bear interest at the interest rate payable on the loan amount. On the next monthly loan payment date the interest on the deferred interest will be added to the deferred interest and become part of it. If the deferred interest is not paid on that monthly loan payment date, it will bear interest at the interest rate payable on the loan amount and that interest will be added to the deferred interest on the next monthly loan payment date, and so on.

4. HOW YOU WILL REPAY YOUR LOAN

A. Currency and Place of Payment

You shall pay the loan amount to us in Canadian dollars. Your regular monthly loan payments and all other payments will be made at the Branch address set out in box 15, or at any other place we may designate, and are payable as follows:

B. Interest Payable Prior to and on Interest Adjustment Date

Before your regular monthly loan payments begin you will pay us interest, at the rate payable on the loan amount, on all money we have advanced to you up to the interest adjustment date specified in box 9(d) or, at our option, such interest will be deducted from subsequent advances. Interest will be computed from the date of each advance and will become due and payable in monthly instalments on the first day of the month next following the date of each advance and on the first day of each and every month thereafter. The balance, if any, of interest on such advances computed up to the interest adjustment date shall become due and be paid on that date.

C. Payments after the Interest Adjustment Date

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular **monthly loan payments**.

You will make your regular monthly loan payments to us in equal instalments in the amount specified in box 9(h) beginning on the date specified in box 9(f) and continuing on the **FIRST** day of each and every following month and ending on the date specified in box 9(g). Each date that you are required to make a monthly loan payment is called a **monthly loan payment date**.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified in box 9(i) (which is the same as the date specified in box 9(g) and is called the **last payment date**).

D. Application of Monthly Loan Payments

Each monthly loan payment will be used:

- **first**, to pay or reduce the interest (other than deferred interest) that has accrued on the loan amount from (and including the previous monthly loan payment date to (but excluding) the monthly loan payment date on which the payment is made (if the payment is the first monthly loan payment, the interest will be the interest that has accrued from the interest adjustment date);
- **second**, if any of the payment remains, to pay or reduce deferred interest, if any; and
- **thirdly**, if any of the payment remains, to reduce the principal amount outstanding.

Paragraph 27 of this set of terms sets out a method of calculating the interest payable under the mortgage, to help you to determine how much of each monthly loan payment is interest and how much, if any, is principal.

E. Early Payment On Sale or Mortgage

We may require you to pay all the money that you owe us under the mortgage immediately if you sell, transfer, mortgage or charge your property. This provision does not apply to a sale, transfer, mortgage or charge to which we have given our prior written consent.

F. Prepayments

Paying off a mortgage before the maturity date

You may pay off some, or the entire mortgage early, based on the type of mortgage you have. If we later agree to change or extend the terms of the loan, these prepayment conditions do not apply to the new or extended term.

Miss a Payment® Option

You may miss any scheduled payment, as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot however, miss your mortgage credit insurance premium, if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly loan payments.

If your mortgage does not provide for a Cap Rate

If your mortgage does not provide for a Cap Rate and your mortgage payments are up to date, you can pay off some, or the entire principal amount owing, on any regular payment date. If you pay off the entire principal amount owing you must pay an administration fee of $100 for each year or part of a year remaining in the term.

If your mortgage provides for a Cap Rate

If your mortgage provides for a Cap Rate and all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the three ways listed in the following chart. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12 month period starting on the IAD or the anniversary of that date.

PREPAYMENT OPTIONS		
How	**When**	**What it Means**
1. *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year	your principal mortgage amount will be reduced by that amount
2. *by paying up to 15% of the original principal amount of your mortgage	at any time, sum total not to exceed the yearly maximum	
3. by increasing your regular monthly mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year of the term of your mortgage	

*Only items 1 & 2 qualify for the Miss a Payment option.

Prepayment Costs

When you prepay some, or the entire principal of your mortgage, you will incur prepayment costs unless the partial prepayment is in accordance with the prepayment options chart.

The cost to pay off some, or the entire principal amount of your mortgage early is 3 months' interest costs. The interest rate used to calculate the 3 months interest is the Cap Rate.

Cashback

If you receive a cashback with your mortgage:

The cashback amount will be repayable to us if the mortgage loan does not remain outstanding with us for the full term. If the mortgage is paid out, transferred or renewed, prior to the expiry of the original term, the cashback amount will appear as payable in any discharge statement and will be calculated on an even prorated basis as per the following example involving a 3 year term:

- 100% of cashback amount if payout/renewal is within the first year of the 3 year term.
- 66% of cashback amount if payout/renewal is within the second year of the 3 year term.
- 33% of cashback amount if payout/renewal is within the third year of the 3 year term.

5. YOUR TITLE TO YOUR PROPERTY

A. As Owner of Your Property, you certify that:

i) You are the lawful owner of your property;

ii) You have the right to give us the mortgage;

iii) There are no encumbrances on the title to your property; and

iv) There are no limitations or restrictions on your title to your property except building by-laws, zoning regulations and registered restrictions.

This paragraph A applies unless you have advised us in writing that you are a tenant of your property under a lease, in which case paragraph B applies.

B. If you Are a Tenant of Your Property

i) You certify that:

  a) The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;

  b) The lease is a binding and existing lease and all information you have provided to us concerning it is true;

  c) All rents payable under the lease have been paid to the date you sign the mortgage;

  d) You have permission or the right to assign and mortgage or charge the lease; and

  e) Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions.

ii) You promise:

  a) To pay the rent as it falls due;

  b) To comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;

  c) Not to surrender the lease;

  d) Not to make any change in the lease without first obtaining our written consent;

  e) To give us a true copy of any notice or request you receive concerning the lease; and

  f) To notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

C. You will not do anything that will interfere with our interest in your property.

D. In order to ensure that your entire interest in your property is charged to us you will sign any other documents or do anything further that we think is necessary.

6. USE OF YOUR PROPERTY

You will not make any additions, alterations or improvements to your property or use your property for any business purposes without our prior written consent.

7. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance the entire principal amount or any part of it to you then we do not have to do so, even though the mortgage is prepared, signed or registered, and whether or not any part of the principal amount has already been advanced. However, by signing the mortgage you charge all of your interest in your property to us. You will reimburse us, on demand, for all our expenses of investigating the title to your property and preparing and registering the mortgage.

8. TAXES

A. You will make **monthly tax payments** to us on account of property taxes on each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on your property next becoming due and payable and may change from time to time to reflect changes in the annual taxes on your property. The monthly tax payments should enable us to pay all property taxes on or before their annual due date. Or, if your property taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of property taxes on or before the date on which the first instalment is due.

B. If, however, the annual due date or the first instalment date for the payment of your property taxes is less than one year from the interest adjustment date, you will pay us equal monthly tax payments during that period and during the next 12 months. These equal monthly tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.

C. You will also pay us, on demand, any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

D. We will pay your taxes from the monthly payment we receive from you as long as you are not in default under the mortgage. We are not obliged to make tax payments on the dates they are due or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

E. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

F. If you fail to pay us any amount when it is due, we may apply the money in your tax account towards payment of such amount.

G. We can deduct from the total final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.

H. You will immediately send us all assessment notices, tax bills or tax notices which you receive.

9. PAYMENTS WE CAN MAKE

We can pay off any liens, claims or encumbrances against your property which we consider to have priority over the mortgage. We can also pay all our expenses of collecting any payments not received from you when due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us for any amount so paid.

If we pay off any liens, claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off. We are authorized to retain any discharge which may be given for six months or more, if we consider it advisable to do so.

10. TRANSFER OF LEASES AND RENTS

A. If you have leased or, at a later date, lease all or part of your property to another person or persons, then, upon our written request, you will transfer and assign to us:

- i) All leases, lease agreements and their renewals;
- ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the mortgage; and
- iii) All rights under the leases and agreements as they affect your property.

B. In addition, you confirm that:

- i) You must obtain our prior written consent for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease);
- ii) Nothing we do under this paragraph 10 shall put us in possession of your property;
- iii) However, if you default under the mortgage, we have the right to take possession of your property; and
- iv) We are not obliged to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

11. INSURANCE

You will without delay insure, and keep insured, in our favour and until the mortgage is discharged, all buildings covered by the mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the buildings (the maximum amount for which the buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance.

If you do not:

- Maintain insurance on the buildings that, in our opinion, complies with this paragraph;
- Deliver a copy of any insurance policy or receipt to us at our request; or
- Provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

Insurance proceeds may, in whole or in part, at our option, be:

a) Applied to rebuild or repair the damaged buildings;
b) Paid to you;
c) Paid to any other person who owns or did own the property, as established by the registered title; or
d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

This paragraph 11 does not apply (and paragraph 21E does apply) if your property is a condominium unit.

12. KEEPING YOUR PROPERTY IN GOOD CONDITION

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs we think are advisable. The costs of any inspections and any repairs we make are immediately payable by you.

13. ENVIRONMENTAL PROVISIONS

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

14. REPAYMENT OF LOAN AMOUNT ACCELERATED

The loan amount will become payable immediately, at our option, if:

a) You default in making any regular monthly loan payment, or any other payment you are obliged to make to us under the mortgage.
b) You fail to comply with any of your other obligations under the mortgage.
c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
d) Your property is abandoned.
e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.
f) For a VRM without a Cap Rate, the loan balance ever exceeds 105% of the original advanced amount.

15. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular monthly loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under the mortgage, we can, in writing, appoint a **receiver** (which includes a receiver and manager) to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

The receiver has the right to:

- Use any available remedy (taken in your name or our name) to collect the income from your property;
- Take possession of your property or part of it; and
- Manage your property and maintain it in good condition.

From the income collected the receiver may:

a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.

b) Retain enough money to pay disbursements spent on collecting the income.

c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges that have priority over the mortgage and interest on those charges.

d) Pay us all interest that is due and payable under the mortgage and then pay us all or part of any other amount payable under the mortgage, whether it is due or not.

Nothing done by the receiver puts us in possession of your property or makes us accountable for any money except for money actually received by us.

16. ENFORCING OUR RIGHTS

A. Default in Payment

If you default in making any regular monthly loan payment or any other payment that you are obliged to make to us under the mortgage, we may enforce any one or more of the following remedies in any order:

i) **Sue you** — We may take such action as is necessary to obtain payment of the loan amount.

ii) **Foreclose or sell your property** — We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of your property. If we obtain a final order of foreclosure, your property will by law become our property.

We may also ask the court to order the sale of your property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the loan amount . Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

iii) **Power of sale** — If you default in making any payment for 15 days, we can on 35 days' notice to you enter on your property and:

a) Take possession of it;

b) Sell all or part of your property (for cash or on credit, or partly for cash and partly on credit) by private sale or public auction for the price and on those terms that can be obtained;

c) Lease it on such terms and for whatever period we may decide upon; or

d) Take any other remedy available to us under Ontario law.

Notice shall be given to you and to such other persons in the manner and as required by law at the time it is given. Where there are no such requirements, notice may be given to you, at our option, by one or more of the following means:

- Personal service at your last known address;
- Registered mail at your last known address;
- Publication in a newspaper published in the county or district where your property is located;
- Leaving it with a grown-up person on your property; or
- Posting it on your property.

If default continues for three months, we may enter on, sell or lease your property without any notice unless notice is required by law.

We may apply the net proceeds of the sale or lease to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than the loan amount, you must pay us the difference.

B. Default in your obligations including default in payment — If you default in any obligation under the mortgage (including any default referred to in paragraph A), we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all arrangements that we consider advisable to:

- Inspect, lease, collect rents or manage your property;
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

C. Sale of goods (commercial mortgage only) —

If this is a commercial mortgage and you fail to make any payment to us when it is due, we can distrain against your goods. This means we can take any goods on your property and sell them as permitted by Ontario law. We may apply the net proceeds from the sale to reduce any part of the loan amount. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

D. You will not interfere — You will not interfere with our possession of your property (if we go into possession of your property in enforcing our above rights) nor with the possession of anyone to whom your property is sold or leased by us or any receiver. You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us or any receiver, or anyone who buys or leases it after that time.

E. Our expenses — You will immediately pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession or your property, an allowance for the time and services of Scotia Mortgage Corporation's and/or The Bank of Nova Scotia's employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under the mortgage.

F. Judgments — If we obtain a court judgment against you for your failure to comply with any of your obligations to us under the mortgage, the judgment will not result in a merger of the terms of the judgment with our other remedies or rights to enforce your other obligations under the mortgage. We will continue to be entitled to receive interest on the loan amount at the rate payable on the loan amount and at the same times as provided for in the mortgage. The rate of interest payable on any judgment shall be calculated and payable in the same way as interest is calculated under the mortgage and at the same rate that interest is payable on the loan amount until the judgment has been paid in full.

17. DELAY IN ENFORCEMENT OF OUR RIGHTS

No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the mortgage nor any agreement referred to in paragraph 20 shall affect our rights to:

a) Receive all payments you are obliged to make to us, when they are due and payable.
b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
c) Have you comply with all of your obligations to us under the mortgage.
d) Have any other person comply with the obligations that person has to us under the mortgage.

18. BUILDING MORTGAGE TERMS

An **improvement** means any alteration, addition or repair to any building on your property or any construction, erection or installation on your property. If the purpose of the mortgage is to finance an improvement, you must so inform us in writing immediately and before any advances are made under the mortgage. You must also provide us immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. You agree that any improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. We will make advances (part payments of the principal amount) to you based on the progress of the improvement, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made. Whatever the purpose of the mortgage may be, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. You authorize us to provide information about the mortgage to any person claiming a construction lien on your property.

19. RELEASING YOUR PROPERTY FROM THE MORTGAGE

We may establish the terms for releasing our interest in all or part of your property (that is, we may discharge, or partially discharge, your property) from the mortgage whether we receive value for our release or not. If we release part of your property from the mortgage at any time, the rest of your property will continue to secure the loan amount. We are only accountable for money actually received by us.

If your property is subdivided before our interest in your property comes to an end, the mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from the mortgage.

If any part of the property, or any land adjoining the property, is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the balance or the mortgage including any penalty, fee or interest to which we have a right under this mortgage or the relevant legislation.

We can release you, any guarantor, or any other person from performing any obligation contained in the mortgage or any other security document, without releasing any part of your property secured by the mortgage or any other security, and any such release shall not release any other person from the obligations in the mortgage.

20. RENEWING OR OTHERWISE AMENDING THE MORTGAGE

We may from time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage. Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

21. CONDOMINIUM PROVISIONS

If your property is a condominium unit, you are also to comply with the provisions in this paragraph 21 in addition to all of the other provisions of the mortgage (except paragraph 11).

In this paragraph 21, the Condominium Act, as amended or re-enacted, is called the **Act**. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word "property" in the Act.

A. You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the **corporation**) relating to your property and provide us with proof of your compliance from time to time as we may request.

B. You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.

C. You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation you receive (or are entitled to receive) from the corporation.

D. You will maintain all improvements made to your unit and repair them after damage.

E. **Insurance** — In addition to the insurance which the corporation must obtain, you must:

i) Insure all improvements which you or previous owners have made to your unit;

ii) Obtain insurance for those additional risks that we require;

iii) Insure your common or other interest in building (whether presently existing or built in the future both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings or assets as required or if we require you to do so;

iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation.

v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen full days before the insurance expires or is terminated.

vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

— Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies and against any other perils we require for its full replacement cost (the maximum amount for which it can be insured) in Canadian dollars;

— The insurance company and the terms of the policy must be satisfactory to us.

If you fail to insure your property as required in this paragraph 21, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

To the extent permitted by law, insurance proceeds may, in whole or in part, at our option be:

a) Applied to rebuild or repair the damage to your property;

b) Paid to you;

c) Paid to any other person who owns or did own the property, as established by the registered title; or

d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

F. **You must pay certain other expenses** — In addition to our other rights and remedies contained in the mortgage, you will pay us immediately all our expenses in relation to:

— Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);

— The enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules; and

— Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will only be the expenses related to your property as we determine.

G. **Voting and other rights** — You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:

— Demand the corporation purchase your unit and common interest, where provided under the Act;

— Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration;

— Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph 21 puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

H. **Our additional rights under the mortgage** — You authorize us to do the following:

i) Inspect your property at any reasonable time.

ii) Do any needed maintenance or repairs after damage.

iii) Inspect the corporation's records

iv) Remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the corporation.

I. **Repayment of the loan amount may be accelerated** — The loan amount will become payable immediately, at our option, if:

i) The corporation fails to comply with the Act and the declaration, by laws and rules of the corporation;

ii) The corporation fails to:

  — insure all the condominium units and common elements according to law and according to any additional requirements of ours;

  — insure its assets if we so require and according to our requirements;

  — provide us with proof that the insurance is in force, if we ask for it; or

  — do all that is necessary to collect insurance proceeds;

iii) The corporation does not, in our opinion, manage the condominium property and assets in a careful way;

iv) The corporation fails to keep the corporation's assets in good repair and working order;

v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;

vi) There has been substantial damage and the owners have voted for termination of the condominium;

vii) A sale of the condominium property or any part of the common elements is authorized.

viii) A court makes an order that the government of the condominium property by the Act be terminated; or

ix) The condominium property ceases to be governed by the Act.

Our rights will not be affected by the fact that we voted for or consented to such termination, sale or order or to the condominium property not being governed by the Act.

J. **Termination of the corporation** — If your property ceases to be governed by the Act:

- All the terms of the mortgage continue to apply;
- You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition;
- Your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this; and
- Any money received by us (after payment of all our expenses) may be applied to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you.

22. DISCHARGE

When our interest in your property comes to an end, we will provide, at our sole discretion, either a full discharge of our claim (which is called a Discharge of Charge/Mortgage) or a written confirmation that our claim has been discharged (which is called a Notification of Discharge). You will give us a reasonable time in which to prepare such documents and you will pay our usual administrative fee for preparing, reviewing, signing or registering the discharge document and all legal and other expenses we incur in so doing. In the event we provide you with a Discharge of Charge/Mortgage, you will be responsible for registering the documentation and for all costs relating to such registration.

When our interest in your property comes to an end and you request that we assign your mortgage we will prepare an assignment of the mortgage for you. You will give us a reasonable time in which to prepare and sign the assignment and you will pay our usual administrative fee for preparing, reviewing and signing the documentation and all legal and other expenses we incur in so doing. You will be responsible for registering the documentation and for all costs relating to such registration.

23. HEADINGS

Headings form no part of the mortgage. They are used so that parts of the mortgage can easily be referred to.

24. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the mortgage. The mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your property is transferred. As well, the mortgage will be binding on anyone to whom it is transferred by us. All persons who sign the mortgage as chargors are collectively and individually (that is, jointly and severally) bound to comply with all obligations under the mortgage.

25. STATUTORY COVENANTS EXCLUDED

The covenants set out in Section 7(1) of the Land Registration Reform Act, as amended or re-enacted, are excluded from the mortgage.

26. GUARANTEE

In this paragraph 26, **guarantor** means each person who signs the mortgage as guarantor. **Chargor** means the person or persons who sign the mortgage as chargor and **property** means the property charged by the mortgage.

In return for us making a loan to the chargor, the guarantor, by signing the mortgage, guarantees the chargor's payments (including interest, whether or not the interest rate is changed), and compliance with the chargor's other obligations, under the mortgage. Each guarantor agrees that, if the chargor defaults in making any payment or in performing any other obligation under the mortgage, the guarantor will pay us all of the unpaid payments and comply with all of the obligations which have not been complied with by the chargor. Each guarantor will be collectively and individually (that is, jointly and severally) responsible with the chargor and with one another (if more than one) for all obligations under the mortgage.

It is understood that we can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time;
- Increase the rate of interest payable under the mortgage, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the property from the mortgage or any other security;
- Otherwise deal with the chargor, any other person (including any guarantor), any security (including the mortgage) or the property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period;

either before or after requiring payment from any person without affecting the guarantee. We may require payment from any guarantor without first trying to collect from the chargor or any other person (including any guarantor) or on any security (including the mortgage). Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

27. SAMPLE CALCULATION

Use this formula to calculate the interest on any amount for any period:

$$\left(\text{Principal} \times \frac{\text{Interest rate}}{100} \times \frac{\text{Number of days in the period}}{365 \text{ (or 366 in a leap year)}}\right)$$

The amount on which you are calculating interest is called the principal and the interest rate is the interest rate payable on the loan amount under clause 3A of this set of terms.

Where this set of terms (including this paragraph) refer to interest from a date, that means interest from and including the date. Where this set of terms (including this paragraph) refer to interest to a date, that means interest to but excluding the date.

HERE IS AN EXAMPLE OF THE CALCULATION :

Assume that you wish to calculate the interest on $50,000 from March 1 to April 1. Assume that the interest rate was 9% on March 1. Assume that the year is not a leap year.

In calculating the period from March 1 to April 1, include the first date but exclude the second date, so that the number of days is 31.

The formula for calculating the interest on the principal from March 1 to April 1 is :

$$\$50{,}000 \times \frac{9}{100} \times \frac{31}{365} = \$382.19$$

Assume that the $50,000 in this example is the balance of the principal amount owing on March 1 and that nothing else is owing on that day. Assume that the monthly loan payment is $500. The payment on April 1 is applied as provided under Clause 4D of this set of standard terms as follows:

To pay interest from March 1 to April 1	$ 382.19
To reduce the loan amount	$ 117.81
	$ 500.00

On April 1, the principal amount would be reduced to $49,882.19. This would be the principal in the calculation on May 1.

If the monthly loan payment had been only $375, all of it would have been used to pay the interest and none to reduce the principal amount. The remaining interest of $7.19 would have become deferred interest as provided under Clause 3D of this set of terms. On May 1 interest would have been calculated on both the loan amount of $50,000 and the deferred interest of $7.19.

28. EQUIVALENT RATES

The interest rate payable on the loan amount under the mortgage is calculated monthly not in advance. The table below sets out what would be the equivalent interest rate if the interest rate were calculated half-yearly not in advance.

Interest rate per annum calculated monthly not in advance (%)	Equivalent Interest rate per annum calculated half-yearly not in advance (%)	Interest rate per annum calculated monthly not in advance (%)	Equivalent Interest rate per annum calculated half-yearly not in advance (%)
2.0000	2.00835	11.750	12.04141
2.1250	2.13443	11.875	12.17269
2.2500	2.26057	12.000	12.30403
2.3750	2.38678	12.125	12.43544
2.5000	2.51306	12.250	12.56692
2.6250	2.63940	12.375	12.69846
2.7500	2.76580	12.500	12.83008
2.8750	2.89228	12.625	12.96176
3.000	3.01881	12.750	13.09351
3.125	3.14542	12.875	13.22533
3.250	3.27208	13.000	13.35721
3.375	3.39882	13.125	13.48916
3.500	3.52562	13.250	13.62118
3.625	3.65249	13.375	13.75327
3.750	3.77942	13.500	13.88543
3.875	3.90642	13.625	14.01766
4.000	4.03348	13.750	14.14995
4.125	4.16061	13.875	14.28231
4.250	4.28781	14.000	14.41474
4.375	4.41507	14.125	14.54724
4.500	4.54240	14.250	14.67981
4.625	4.66979	14.375	14.81244
4.750	4.79725	14.500	14.94514
4.875	4.92478	14.625	15.07791
5.000	5.05237	14.750	15.21075
5.125	5.18003	14.875	15.34366
5.250	5.30776	15.000	15.47664
5.375	5.43555	15.125	15.60968
5.500	5.56341	15.250	15.74279
5.625	5.69133	15.375	15.87597
5.750	5.81932	15.500	16.00922
5.875	5.94738	15.625	16.14254
6.000	6.07550	15.750	16.27593
6.125	6.20369	15.875	16.40939
6.250	6.33195	16.000	16.54291
6.375	6.46027	16.125	16.67650
6.500	6.58866	16.250	16.81016
6.625	6.71711	16.375	16.94389
6.750	6.84564	16.500	17.07769
6.875	6.97423	16.625	17.21156
7.000	7.10288	16.750	17.34550
7.125	7.23160	16.875	17.47950
7.250	7.36039	17.000	17.61358
7.375	7.48925	17.125	17.74772
7.500	7.61817	17.250	17.88193
7.625	7.74716	17.375	18.01621
7.750	7.87621	17.500	18.15056
7.875	8.00534	17.625	18.28498
8.000	8.13452	17.750	18.41947
8.125	8.26378	17.875	18.55403
8.250	8.39310	18.000	18.68865
8.375	8.52249	18.125	18.82335
8.500	8.65195	18.250	18.95811
8.625	8.78147	18.375	19.09295
8.750	8.91106	18.500	19.22785
8.875	9.04072	18.625	19.36282
9.000	9.17045	18.750	19.49786
9.125	9.30024	18.875	19.63297
9.250	9.43010	19.000	19.76815
9.375	9.56002	19.125	19.90340
9.500	9.69002	19.250	20.03872
9.625	9.82008	19.375	20.17411
9.750	9.95021	19.500	20.30956
9.875	10.08040	19.625	20.44509
10.000	10.21066	19.750	20.58068
10.125	10.34099	19.875	20.71635
10.250	10.47139	20.000	20.85208
10.375	10.60185		
10.500	10.73238		
10.625	10.86298		
10.750	10.99365		
10.875	11.12438		
11.000	11.25519		
11.125	11.38605		
11.250	11.51699		
11.375	11.64800		
11.500	11.77907		
11.625	11.91021		

Dated this 4th day of June 2002

Willy Lee
Assistant General Manager
Scotia Mortgage Corporation
I have the authority to bind the corporation

™ Trademark of The Bank of Nova Scotia. Scotia Mortgage is an authorized user.
® Registered Trademark of The Bank of Nova Scotia.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200217 Cote
Filing Date June 11th 2002 Date de Dépôt
Page 1 of/de Fifteen (15) Pages
Jan Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by **Trans Canada Credit Corporation**

The following set of Standard Charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

The Borrower agrees with the Lender as follows:

INTERPRETATION

1. (1) In these mortgage terms:

all words used in this set of Standard Charge Terms, for which an interpretation is provided in Section 1 of the Land Registration Reform Act, 1984 (the "Act") have the meaning assigned to them by Section 1 of the Act except for words interpreted in this section.

"borrower" means the person or persons named in the mortgage form as the chargor and who executed the mortgage form as the chargor;

"borrower mailing address" means the postal address of the borrower set out in the mortgage form or the most recent postal address provided in a written notice given by the borrower to the lender under these mortgage terms;

"borrower's promises and agreements" means any one or more of the borrower's obligations, promises and agreements contained in this mortgage;

"court" means a court or judge having jurisdiction in any matter arising out of this mortgage;

"default" includes each of the events of default listed in section 7;

"guarantor" means the person or persons who sign the mortgage form as a guarantor/ and covenantor;

"instalment payment" means the amount of each periodic payment shown on the mortgage form, or a revised amount that the lender may establish;

"interest" means interest at the interest rate shown on the mortgage form on all money owed to the lender under this mortgage;

"interest adjustment date" means the interest adjustment date shown on the mortgage form;

"interest calculation period" means the period or periods for the calculation of interest shown on the mortgage form;

"interest rate" means the interest rate shown on the mortgage form or such other rate or rates of interest as may be agreed upon between the borrower and the lender;

"land" means all the borrower's present and future interest in the land described in the mortgage form including every incidental right, benefit or privilege attaching to that land or running with it and all buildings and improvements that are now or later constructed on or made to the land;

"lease" means the leasehold interests, if any, of the borrower referred to in the mortgage form;

"lender" means person or persons named as in the mortgage form as a Chargee and includes its successors and any person or corporation to whom the lender transfers this mortgage;

"lender mailing address" means the postal address shown on the mortgage form or the most recent postal address provided in a written notice given by the lender to the borrower under these mortgage terms;

"loan payment" means the amount of each periodic payment shown on the mortgage form;

"maturity date" means the balance due date shown on the mortgage form and is the date on which all unpaid mortgage money becomes due and payable, or such earlier date on which the lender can lawfully require payment of the mortgage money;

"mortgage" means this Charge/Mortgage of Lands made pursuant to the Act to which the borrower and the lender are parties; which mortgage consists of the mortgage form, any amendments contained in it, and these standard charge terms, together with any amendments from time to time made afterward by the borrower and lender in writing.

"mortgage form" means Form 2 established by the Regulations of the Act and all schedules and addenda to Form 2;

"mortgage money" means the principal amount, interest and all other money owed by the borrower under this mortgage, the payment of which is secured by this mortgage;

"payment date" means each payment date commencing on the first date shown on the mortgage form;

"place of payment" means the place of payment shown on the mortgage form or any other place specified in a written notice given by the lender to the borrower under these mortgage terms;

"principal amount" means the amount of money shown as the principal amount on the mortgage form as reduced by payments made by the borrower from time to time or increased by the advance or readvance of money by the lender to the borrower from time to time, and includes all money that is later added to the principal amount under these mortgage terms;

"receiver" means a receiver or receiver manager appointed by the lender under this mortgage;

"taxes" means the aggregate of:

(a) all taxes, rates, duties or assessments now or hereafter existing or claimed in respect of the land or its use or improvements on the land;

(b) all penalties, interest and other monies added to the amounts described in clause (a) by any taxing authority;

(c) all utility charges including those for electricity, gas water, telephone and cable television now or hereafter existing or claimed in respect of the land; and

(d) any taxes, rates, duties or assessments arising out of any transaction between the borrower and lender, including goods and services tax, but not including the income taxes of the lender.

(2) In this mortgage the singular includes the plural and vice versa.

WHAT THIS MORTGAGE DOES

2. (1) In return for the lender agreeing to lend the principal amount to the borrower, the borrower grants and mortgages the land to the lender as security for repayment of the mortgage money and for performance of all the borrower's promises and agreements set forth in this mortgage. All erections, additions and improvements, fixed or otherwise which are now on or at any time hereafter are put upon the land or any building thereon, and all apparatus and equipment attached to or added to such erections, additions or improvements, shall be fixtures and form part of the land and be part of the security for payment of the mortgage money. Fixtures subject to this mortgage shall include, without limiting the generality of the foregoing, all fences, boilers, oil and gas burners, stokers, blowers, boilers, electric light fixtures, furnaces, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, plant machinery, television antennae, sprinklers, shutters and awnings, floor coverings, and all apparatus and equipment attached or added thereto.

(2) If the interest mortgaged is described in the mortgage form as a leasehold interest, the grant by the borrower in subsection (1) of this section 3 shall be construed as a charge of the unexpired term of the lease less the last month of that term.

(3) This mortgage shall be a charge on the land.

(4) The borrower releases to the lender all the borrower's claim to the land until the borrower has paid the mortgage money to the lender, in accordance with these mortgage terms, and has performed all of the borrower's promises and agreements.

(5) The borrower may continue to remain in quiet possession of the land as long as the borrower performs all of the borrower's promises and agreements.

(6) When the borrower has paid the mortgage money and performed all the borrower's promises and agreements under this mortgage and the lender has no obligation to make any further advances, or readvances, the lender will no longer be entitled to enforce any rights under this mortgage and the borrower will be entitled, upon payout of the lender's discharge fee, to receive a discharge of this mortgage. The discharge must be signed by the lender and must be registered by the borrower in the Land Registry office to cancel the registration of this mortgage against the land.

INTEREST

3. (1) Interest is chargeable on the mortgage money and is payable by the borrower.

(2) Interest on advances of the principal amount starts to accrue on the date and on the amount of each advance and accrues on the principal amount until the borrower has paid all the mortgage money.

(3) Interest payable on any part of the principal amount advanced before the interest adjustment date is due and payable to the lender on the interest adjustment date. After the interest adjustment date, interest is calculated in accordance with the calculation period set out in the mortgage form, not in advance as well as after as before the maturity date.

(4) At the end of each interest calculation period, unpaid accrued interest will be added to the principal amount and bear interest.

(5) Interest on arrears of the principal amount, interest and other sums payable under this mortgage shall be payable at the same rate and times at which interest was payable prior to default.

(6) All required interest will be a charge on the land and secured by this mortgage.

PAYMENT OF THE MORTGAGE MONEY

4. (1) The borrower promises to pay the mortgage money to the lender at the place of payment in accordance with the payment provisions set out in this mortgage, as well after as before maturity, default and judgment.

(2) The amount of any instalment payment will not change as a result of additional payments.

(3) This mortgage cannot be prepaid except as expressly permitted under this mortgage.

PROMISES OF THE BORROWER

5. (1) The Borrower promises

(a) (i) to pay all taxes when they are due and to send to the lender at the place of payment, or at any other place the lender requires, all notices of taxes which the borrower receives, and receipts evidencing payment in full of such taxes within thirty (30) days of their due date,

(ii) to pay all utility and fuel charges related to the land when they are due,

(iii) to not allow the supply of utilities or fuel to be intercepted or discontinued; and

(iv) that if the supply of utilities or fuel is interrupted for any reason, to ensure that it is restored,

(b) if the lender requires the borrower to do so, to pay to the lender

i) on each payment date the amount of money estimated from time to time by the lender to be sufficient to permit the lender to pay the taxes when they are due, and

ii) any money in addition to the money already paid to the lender to be paid towards taxes so that the lender will be able to pay the taxes in full,

(c) to pay on demand, the amount of money required to make up the deficiency if the taxes actually charged or payable in any calendar year exceed the estimate of the lender for that calendar year,

(d) to forward to the lender at the lender mailing address or to any other address subsequently specified in writing by the lender to the borrower copies of all documentation relating to any expropriation or proposed expropriation of the land or any part(s) of the land immediately after the borrower receives any such documentation,

(e) to comply with all terms and conditions of any charge or encumbrance that ranks ahead of this mortgage,

(f) not to allow any act of waste on the land,

(g) to sign any other document that the lender reasonably requires to ensure that payment of the mortgage money is secured by this mortgage or by any other security or security document that the borrower has agreed to give in respect of the mortgage money,

(h) not to do anything that will, in the lender's opinion, have the effect of reducing the value of the land, or any building, erection, addition or improvement upon the land,

(i) not to make any alteration or improvement to any building which forms part of the land without the prior written consent of the lender,

(j) not to insulate or allow any building, erection, addition or improvement upon the land to be insulated, in whole or in part, with urea formaldehyde foam insulation,

(k) if the borrower has, with the prior written consent of the lender, rented the land to a tenant, to keep, if required by the lender, records of all rents received and of all expenses paid by the borrower in connection with the land and, at least annually, have a statement of revenue and expenses for the land prepared by a professional accountant if the lender requires and to give a copy of the statement to the lender if the lender requires the borrower to do so,

(l) to insure and keep insured against the risk of fire and other risks and losses that the lender asks the borrower to insure against, with an insurance company licensed to do business in Ontario and approved by the lender, all buildings and improvements on the land to their full insurable value on a replacement cost basis and to pay all insurance premiums when due,

(m) to send a copy of each insurance policy and certificate evidencing renewal thereof to the lender at the place of payment,

(n) to pay on demand all of the lender's costs, including lawyers fees and disbursements (on a solicitor and own client basis) incurred in connection with or arising out of:

i) the preparation and registration of this mortgage, including all necessary steps to advance and secure the mortgage money,

ii) the collection of the mortgage money,

iii) the enforcement of the terms of this mortgage, including efforts to compel the borrower to perform the borrower's promises and agreements. These costs include the lender's cost of taking and keeping possession of the land, preparing the land for sale or lease, selling or leasing the land, the cost of the time and services of the lender's employees or agents for so doing and all other costs and expenses incurred by the lender to protect the lender's interest under this mortgage. These costs will be added to the principal amount and bear interest until they are fully paid, and

iv) The preparation of a discharge of this mortgage when the borrower has paid all money due under this mortgage and the borrower requests that it be discharged,

(o) if the lender requires that the borrower do so, to

i) give the lender in each calendar year post-dated cheques for all loan payments due for that calendar year and for taxes, or

ii) arrange for all loan payments and payments to the lender for the payment of taxes to be made by pre-authorized cheques,

(p) to pay any money which, if not paid, would result in a default under any charge or encumbrance having priority over this mortgage or which might result in the sale of the land if not paid,

(q) to provide, at the lender's request, full particulars and supporting documentation pertaining to:

(a) the borrower's status as a spouse as defined by Section 1(1) of the Family Law Act, R.S.O. 1990, as amended,

(b) the name, address and birth date of the borrower's spouse and the authorization of the borrower's spouse to the Registrar under the Vital Statistics Act of Ontario to provide to the lender all information in its possession regarding the borrower's and the borrower's spouse's marriage, divorce or death,

(c) the qualification of the land as a matrimonial home within the meaning of Part II of the Family Law Act, R.S.O. 1990, as amended,

(d) the ownership of the land,

(e) any change in the information disclosed to the lender in this section.

(2) The borrower declares to the lender that:

(a) the borrower owns the land and has the right to mortgage the land to the lender,

(b) the borrower's title to the land is subject only to those charges and encumbrances that

i) are registered in the land title office at the time the borrower signed the mortgage form, or

ii) the lender has agreed to in writing,

(c) subject to subsection 2 (b) of this section 5, the borrower,

i) has not given any other charge or encumbrance against the land, and

ii) has no knowledge of any other claim against the land,

(d) subject to subsection 2(b) of this section 5, on default the lender shall have quiet possession of the land,

(e) no building, erection, addition or improvement upon the land has been insulated with urea formaldehyde foam insulation.

(3) The insurance policy or policies required by subsection (1) (m) of this section 5 shall contain a mortgage clause approved by the lender that states that payment of any loss shall be made to the lender at the place of payment or any other place the lender requires and, if this mortgage is not a first mortgage, the amount of any payment made by the insurer shall be paid to the borrower's lenders in the order of their priorities.

(4) The borrower hereby gives up any statutory right which the borrower may now or at any time hereafter have to require the insurance proceeds to be applied in any particular manner.

AGREEMENT BETWEEN THE BORROWER AND THE LENDER

6. (1) (a) The lender will use the money paid to the lender under subsection 6 (1) (b) to pay taxes unless there is a default in which case the lender may apply the money in payment of the mortgage money,

(b) If the lender requires the borrower to pay monies to it to pay the taxes pursuant to subsection 5 (1) (b), the lender is not obligated to pay taxes more often than annually,

(c) If the borrower wishes to take advantage of any discounts or avoid penalties in connection with the payment of taxes, the borrower may pay to the lender such additional amounts as required for that purpose,

(d) No monies paid to the lender under subsection 5(1) (b) or retained by the lender under subsection (1) (b) of this section 6 shall be held in trust or bear interest,

(e) In the event that monies estimated by the lender to be required to pay the taxes in any calendar year exceed the taxes actually charged for that calendar year, the remaining monies may be retained by the lender on account of any pre-estimate of taxes in the next calendar year.

(2) The borrower irrevocably assigns to the lender any compensation which may become due and payable to the borrower or anyone claiming an interest under or through the borrower by an expropriating authority upon any expropriation of all or part(s) of the land. This assignment is limited to the amount of the mortgage money which is outstanding at the date the borrower ceases to be the registered owner of the land or any part(s) of the land. Service of a copy of this mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver such proceeds to the lender.

(3) Any money paid to the lender under this mortgage shall,

(a) prior to a default, be applied first in payment of interest, secondly in payment of the principal amount and thirdly in payment of all other money owed by the borrower under this mortgage, and

(b) after a default, be applied in any manner the lender, in its sole discretion, chooses.

(4) The lender may at any reasonable time inspect the land and any buildings and improvements which form part of the land.

(5) If the lender takes possession of the land, the lender shall not be responsible for maintaining and preserving the land and need only account to the borrower for any money which the lender actually receives in connection with this mortgage or the land.

(6) The lender may, but shall not be required, to spend money to perform any of the borrower's promises and agreements set forth in this mortgage which the borrower has not performed and any money so spent shall be added to the principal amount, bear interest from the date that the money was so spent, and be immediately due and payable to the lender.

(7) If the borrower wants to give any notice to the lender, the borrower must do so by delivering it personally to the lender at the place of payment or by sending it by registered or certified mail to the lender mailing address or to any other address as may be later specified in writing by the lender to the borrower.

(8) If the lender wants to give any notice to the borrower, the lender must do so by having it delivered to the borrower personally or by sending it by registered or certified mail to the borrower mailing address or to any other address later specified in writing by the borrower to the lender.

(9) Any notice sent by mail by the borrower, the lender or the covenantor will be considered to have been received five (5) days after it is mailed provided, however, that notice to be given during a mail strike or postal disruption must be delivered rather than sent by mail. Any notice served by personal delivery will be considered to have been received upon actual receipt of such notice by the borrower or the covenantor, if the borrower or the covenantor is any individual, or by any officer of the borrower or the covenantor if the borrower or the covenantor is a corporation, or by an officer of the lender.

(10) The borrower is not released from the borrower's promises and agreements only because the borrower sells the land.

(11) This mortgage may be renewed or amended by an agreement in writing with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances at the time of such renewal or amendment. It shall not be necessary to register any such agreement in order to retain priority for this mortgage on such altered terms over any instrument registered subsequent to this mortgage. Any such agreement shall be effectual and binding on the borrower and any such subsequent encumbrancer and shall take priority against such subsequent encumbrancer immediately upon execution by the borrower. The borrower shall pay all legal and administrative costs of the lender incurred in connection with any such agreement. The borrower acknowledges that the provisions of this paragraph shall not confer any right of renewal upon the borrower.

(12) The lender may deduct from any advance of the principal amount,

(a) any taxes that are due and payable up to and including the date of the advance,

(b) any interest that is due and payable up to and including the date of the advance,

(c) the lawyers fees and disbursements (on a solicitor and own client basis) to prepare and register this mortgage including other necessary steps to advance and secure the mortgage money and to report to the lender, and

(d) any premium of insurance payable by the borrower pursuant to section 5 (1) (m) which is due and payable up to and including the date of the advance.

(13) If a default occurs under any other mortgage or agreement between the borrower and the lender, whether in respect of the mortgage money or otherwise, it will have the same effect as a default under this mortgage and if a default occurs under this mortgage it will have the same effect as though a default had occurred under any other mortgage or agreement between the borrower and the lender.

(14) The lender's right of consolidation applies to this mortgage and to any other mortgage given by the borrower to the lender. This means that if the borrower has mortgaged other property to the lender the borrower will not have the right to pay off this mortgage or any mortgage of other property unless the borrower pays the lender all money owed by the borrower to the lender under this mortgage and under all such mortgages of other property.

(15) The lender may distrain for arrears of interest and may distrain for arrears of the principal amount in the same manner as if the same were arrears of interest.

(16) If the lender obtains a judgment against the borrower for failure to comply with any of the borrower's covenants or obligations under this mortgage, such judgment will not result in a merger of the terms of the judgment with the lender's other remedies or rights to enforce the other obligations of the borrower under this mortgage according to the terms hereof. The lender shall continue to be entitled to receive interest at the interest rate and any such judgment shall provide that interest thereon shall be computed at the interest rate until such judgment has been fully paid.

(17) If any cheque or pre-authorized payment issued by the borrower to the lender in payment of any amount due and owing under this mortgage is not honoured when presented for payment, the borrower shall pay to the lender, on demand, all out-of pocket expenses and reasonable administrative costs, including the lender's returned cheque fee, as determined from time to time, incurred by the lender as a result of such dishonour. If any such amount is not paid on demand, it shall be added to the mortgage money and bear interest at the interest rate.

(18) The borrower will pay on demand the lender's reasonable administrative costs and charges arising out of or incurred by the lender in connection with its administration of this mortgage and the review, execution and delivery of any documents which the lender is requested to prepare or execute in connection herewith. If any such amount is not paid on demand, it shall be added to the mortgage money and bear interest at the interest rate. The lender shall have the same right with respect to collection of any such amount as it does with respect to collection of the principal amount and interest under this mortgage of in law or at equity.

(19) All representations made by the borrower to the lender in connection with this mortgage and the application for the loan and/or current or running account secured by this mortgage are true and complete as of the date this mortgage is executed. The borrower agrees that all such representations shall survive the execution and registration of this mortgage.

(20) If the borrower or guarantor fails to observe or perform any condition, agreement, covenant or term set out in the application for the loan and/or current or running account secured by this mortgage or in any other document giving contractual relationship between the borrower and the lender, then the borrower shall be deemed to be in default under the terms of this mortgage and at the option of the lender all monies secured by this mortgage shall immediately become due and payable and all powers conferred upon the lender by this mortgage, shall immediately become exercisable.

(21) The discharge of this mortgage shall be prepared by the lender at the expense of the borrower and the lender shall have a reasonable time after payment in full of the mortgage money to prepare and execute a discharge of this mortgage. Interest shall continue to accrue and be payable until actual payment in full of all monies owing under this mortgage has been received by the lender. All legal and administrative costs of the lender, including the lender's applicable fee, as determined from time to time, incurred in connection with the preparation, execution and delivery of such discharge and other associated documents shall be borne by the borrower. The borrower shall be responsible for registering the discharge and for the costs of such registration.

(22) If the land is not residential the borrower hereby attorns and becomes a tenant of the land to the lender from year to year from the date this mortgage is executed during the term of this mortgage and any renewal or renewals thereof at a rental equivalent to, applicable to satisfaction of, and payable at the same time as payments are required to be made under this mortgage. The legal relation of Landlord and Tenant is hereby constituted between the lender and the borrower but neither the existence of this paragraph nor anything done by virtue hereof shall render the lender a mortgagee in possession, or accountable for any monies except those actually received by the lender. The lender may, on default of payment or on breach of any of the agreements set out in this mortgage, enter on the land and determine the tenancy hereby created without notice.

(23) The borrower will keep the land, the buildings, and any erections or improvements thereon in good condition and repair and will not allow the land or any building to become or remain vacant. The borrower will not allow any act of waste on the land. The borrower will not do or allow anyone to do anything that will, in the lender's opinion, lower the value of the land or any building on the land.

(24) The lender or the lender's agent may, whenever the lender deems it necessary to do so, enter upon and inspect the land and any building thereon and make any repairs that the lender considers are necessary. The costs of any such inspection and repairs will be payable immediately by the borrower and until paid, such costs will be added to the monies secured by this mortgage and will bear interest at the interest rate and shall be a charge upon the land prior to all claims thereon subsequent to this mortgage. If the borrower neglects to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the lender shall be sole judge) or makes default as to any of the warranties or agreements contained in this mortgage, all monies secured by this mortgage shall, at the option of the lender immediately become due and payable.

(25) This mortgage is in addition to and not in substitution for any other security held by the lender for all or any of the monies secured hereunder. The lender may follow its remedies thereunder, hereunder and under any security evidencing the monies advanced under this mortgage, concurrently or successively, at its option.

(26) The borrower will remain in actual possession of the land and will not lease or rent any part of the land without the prior written approval of the lender. In the event that the lender's approval is received then the borrower hereby agrees with the lender as follows:

(a) The borrower hereby assigns and sets over to the lender all rents payable from time to time under all leases of the land or any part thereof, whether presently existing or arising in the future, together with the benefit of all covenants, agreements and provisos contained in the said leases, in favour of the lender,

(b) Forthwith after making any lease of the land or any part thereof, the borrower will execute and deliver to the lender an assignment in registerable form, in the lender's usual form, of all rents payable under such lease, the benefit of all covenants, agreements and provisos therein contained on the part of the tenant to be observed and performed and the reversion of such lease, and will also execute and deliver to the lender all such notices and other documents as may be required in order to render such assignment effectual in law,

(c) Nothing herein contained shall make the lender responsible for the collection of rents payable under any lease of the land or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease,

(d) The lender shall not by virtue of this paragraph be deemed to be a mortgagee in possession of the land,

(e) The lender shall be liable to account for only such rents as actually come into its hands less reasonable collection charges in respect thereof and may apply such rents to the repayment of the mortgage money, and

(f) Notwithstanding anything herein contained, no lease of the land or any part thereof made by the borrower, shall have priority over this mortgage.

(27) The borrower will not allow the land to be used, without the prior written consent of the lender, for a purpose other than that disclosed to the lender at the time the borrower applied for the loan and/or credit facility secured by this mortgage. At no time shall the land or any building thereon be used in a manner that would contravene any law, rule, requirement, order, direction, ordinance or regulation of any applicable government authority in force from time to time.

(28) No sale or other dealing by the borrower with the land or any part thereof or the equity of redemption shall in any way change the liability of the borrower or any person liable for the obligations of the borrower hereunder or in any way alter the rights of the lender as against any person liable for the payment of the monies hereby secured.

(29) If the borrower sells, conveys, transfers or enters into any agreement for the sale or transfer of title of the land or any part thereof to any purchaser, grantee or transferee without the prior written consent of the lender, the mortgage money shall, in addition to the lender's other rights and remedies hereunder, at the lender's option, immediately become due and payable.

(30) All payments secured by this mortgage shall be made at the place of payment in lawful money of Canada. All payments required to be made by the borrower pursuant to this mortgage shall be made before 3:00 o'clock in the afternoon on the date on which a payment is to be made. If any payment is made after 3:00 o'clock in the afternoon such payment will be deemed to have been made on the next following business day.

(31) The lender may from time to time and at any time waive, in whole or in part, the benefit to it of any provision in this mortgage or any default by the borrower, but such waiver on any occasion shall be deemed not to be a waiver of such provision thereafter or of any subsequent default. No waiver shall have effect unless made in writing and executed by the lender. If the lender does not exercise any of its rights upon the occurrence of a default or does not demand that the borrower cure the default, the lender is not prevented from later compelling the borrower to cure that default or from exercising any of those rights in connection with that default or any later default of the same or any other kind.

(32) This mortgage is intended by the borrower and the lender to take effect as a deed, notwithstanding that it may or may not be executed under seal.

(33) Neither the preparation, execution nor the registration of this mortgage shall bind the lender to advance the mortgage money, nor shall the advance of part of the mortgage money bind the lender to advance any unadvanced portion(s) thereof.

DEFAULT

7. A default occurs under this mortgage if,

(a) the borrower breaks any of the borrower's promises and agreements,

(b) the borrower breaks any promise or agreement which the borrower has made to the lender in a mortgage of any other land or other property or in any other agreement the borrower has made with the lender even though the borrower may not have broken any of the borrower's promises and agreements set forth in this mortgage,

(c) the borrower becomes bankrupt or insolvent,

(d) the land is abandoned or is left unoccupied for thirty (30) or more consecutive days,

(e) the land or any part of it is expropriated,

(f) the borrower does not discharge any judgment registered in the Land Registry Office against the land within thirty (30) days after receiving notice of its registration,

(g) the borrower allows any claim of builders lien to remain undischarged on the title to the land for more than thirty (30) days unless the borrower:

i) diligently disputes the validity of the claim by taking all necessary legal steps to do so,

ii) gives security to the lender which the lender considers reasonable to enable the lender to pay the claim in full if it is found to be valid, and

iii) authorizes the lender to use the security to pay the lien in full.

(h) any building, erection, addition or improvement on the land contains urea formaldehyde foam insulation,

(i) the borrower breaks any of the borrower's agreements and promises in any charge or encumbrance on the land that ranks ahead of this mortgage,

(j) a receiver, receiver and manager or receiver manager of all or any part of the land is appointed,

(k) any representation or warranty, whether or not contained herein, made by or on behalf of the borrower to the lender is untrue,

(l) without the prior written consent of the lender, the borrower creates or permits to exist any mortgage, lien or charge on, or claim against the land which ranks or could in any event rank in priority to or pari passu with the charge created by this mortgage,

(m) the holder of any other mortgage, lien or charge on, or any claim against, the land does anything to enforce or realize on such mortgage, lien, charge or claim,

(n) if the borrower is a corporation, an order is made or a resolution is passed for the winding up of the borrower,

(o) if the borrower is a corporation, the borrower enters into an amalgamation, merger or other similar arrangement with any other person, without the prior written consent of the lender,

(p) if the borrower is a corporation, the borrower ceases, or threatens to cease, to carry on its business,

(q) if the borrower is an individual, the borrower dies or is declared incompetent to manage his or her own affairs,

(r) if the borrower sells, agrees to sell, transfers, assigns, leases or otherwise disposes of or deals with the land or any part thereof without the prior written consent of the lender,

(s) if the borrower is a corporation, and there is a change in registered owners of the shares of the borrower or a change in the persons having effective voting control of the borrower, without the prior written consent of the lender, and

(t) there is default by any person or persons in the performance or observance of any provision or covenant under any other security or guarantee for the repayment of the monies hereby secured, or any guarantor of the monies hereby secured makes an assignment for the benefit of its creditors or is declared bankrupt or makes a proposal or otherwise takes advantage of the provisions for relief under the *Bankruptcy Act*, the *Companies Creditors' Arrangement Act* or similar legislation in any jurisdiction, or makes an authorized assignment or a receiver or receiver-manager of all or any part of the property of such guarantor is appointed or if any such guarantor should give notice under any right which may be contained in such security or guarantee to limit the continuing obligations of the guarantor, or if such guarantor is a corporation, an order is made or an effective resolution is passed for winding up the guarantor or the guarantor enters into an amalgamation, merger or other similar arrangement with any other person, without the prior written consent of the lender or the guarantor ceases, or threatens to cease, to carry on its business, or, if the guarantor is an individual, the guarantor dies or is declared incompetent to manage his or her own affairs.

(u) the borrower does not pay any instalment payment on any instalment payment date.

CONSEQUENCES OF A DEFAULT

8. (1) If a default occurs, all mortgage money then owing to the lender will, if the lender chooses, become due and payable at once by the borrower.

(2) If a default occurs the lender may, in any order that the lender chooses, do any one or more of the following:

(a) demand payment of all the mortgage money,

(b) sue the borrower for the amount of money due,

(c) take legal proceedings to compel the borrower to keep the borrower's promises and agreement,

(d) sell the land and other property by public auction or private sale, or lease the land on terms as to credit and otherwise as the lender in its sole discretion may determine and for such price as can reasonably be obtained at that time,

i) on thirty-five (35) days' notice to the borrower if the default has continued for fifteen (15) days, or

ii) without notice to the borrower, if the default has continued for sixty (60) days or more,

(e) exercise the rights set out in subsection 8(2)(l) without entering into possession of the land.

(f) apply to the court for an order that the land be sold on terms approved by the court,

(g) apply to the court to foreclose the borrower's interest in the land so that when the court makes its final order of foreclosure the borrower's interest in the land will be absolutely vested in and belong to the lender,

(h) appoint a receiver of the land,

(i) enter upon and take possession of the land without the permission of anyone and make any arrangements the lender considers necessary to,

  i) inspect, lease, collect rents or manage the land,

  ii) complete the construction of any building on the land, or

  iii) repair any building on the land,

(j) take whatever action the lender determines to be necessary to take, recover and keep possession of the land, and

(k) take such other actions as the lender may be entitled to take at law or in equity.

(3) Nothing in subsection (2) of this section 8 affects the jurisdiction of the court.

(4) If the lender sells the land pursuant to its rights under subsection (2) of this section 8 whether by public auction or by private sale the lender shall be entitled to buy in or rescind or vary any contract for sale of any of the land and resell without being accountable for any loss resulting therefrom. In the case of a sale on credit, the lender shall only be accountable for monies actually received in cash as and when so received and for any such purposes the lender may make all agreements it deems proper. Any purchaser or lessee need not see to the propriety or regularity of any sale or lease and any such sale or lease shall not be invalidated by any lack of notice to the borrower. The borrower's sole remedy, in case of lack of notice, shall be in damages. The powers conferred upon the lender by this mortgage are in addition to and not in limitation of any other rights or powers of the lender at law and/or in equity.

(5) If the lender sells or leases the land by public auction or by private sale the net proceeds of any such sale or lease, or both, shall be applied as the lender, in its sole discretion, may direct in payment of:

(a) any real estate agent's commission, or auctioneer's fee or commission,

(b) all adjustments usually made on the sale of land,

(c) all of the lender's expenses and costs described in section 8(6), and

(d) the mortgage money.

and will pay any surplus:

(e) according to an order of the court if the land is sold by an order of the court, or

(f) to the party then entitled by law to receive such surplus.

(6) If the money available to pay the mortgage money after payment of the fees, commissions, adjustments and expenses referred to in subsection (5) of this section 8 is not sufficient to pay all the mortgage money, the borrower will pay to the lender on demand the amount of the deficiency.

(7) If the lender obtains judgment against the borrower as a result of a default, the remedies described in subsection (2) of this section 8 may continue to be used by the lender to compel the borrower to perform the borrower's promises and agreements. The lender will continue to be entitled to receive interest on the mortgage money until the judgment is paid in full.

(8) The borrower will pay to the lender on demand, all fees, expenses and costs incurred by the lender in enforcing this mortgage. These expenses and costs include the lender's cost of taking and keeping possession of the land, the cost of the time and services of the lender or the lender's employees for so doing, the lender's legal fees and disbursements on a solicitor and client basis, unless the court allows legal fees and disbursements be paid on a different basis, and all other costs and expenses incurred by the lender to protect the lender's interest under this mortgage. These fees, expenses and costs will be added to the principal amount, be payable on demand and bear interest until they are fully paid.

(9) If the lender does not exercise any of the lender's rights on the happening of a default or does not ask the borrower to cure it, the lender is not prevented from later compelling the borrower to cure that default or exercising any of those rights in connection with that default or any later default of the same or any other kind.

(10) Upon default of payment of any principal monies hereby secured at the time or times herein provided, the lender shall be entitled to require, in addition to all monies payable in accordance with this mortgage, a bonus equal to three (3) month's interest in advance on the said principal monies and the borrower shall not be entitled to require a discharge of this mortgage without such payment. Nothing herein contained shall effect or limit the right of the lender to recover by action or otherwise the principal money so in arrears after default has been made.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200217 Cote

CONSTRUCTION OF BUILDINGS OR IMPROVEMENTS

9. (1) The borrower will not demolish, construct, alter or add to any buildings or improvements on the land without the prior written consent of the lender.

(2) The borrower will not construct, alter or add to any buildings or improvements on the land except in accordance with plans and specifications which have been approved in advance in writing by the lender.

(3) If this mortgage is intended to finance any construction, alteration or addition of any buildings or improvements on the land, the lender may make advances of the principal amount to the borrower based on the progress of construction. The lender will decide whether or not any advances will be made, the amount of the advances, and when they will be made.

RECEIVER

10. (1) The lender may, if any default happens, appoint a receiver of the land and the receiver,

(a) will be the borrower's agent and the borrower will be solely responsible for the receiver's acts or omissions,

(b) has power, either in the borrower's name or in the name of the lender, to demand, recover and receive income from the land and start and carry on any action or court proceeding to collect that income,

(c) may give receipts for income which the receiver receives,

(d) may carry on any business which the borrower conducted on the land,

(e) may lease or sublease the land or any part of it on terms and conditions that the receiver, in its sole discretion, chooses,

(f) may complete the construction of or repair any building or improvement on the land,

(g) may take possession of all or part of the land,

(h) may manage the land and maintain it in good condition,

(i) shall have the power to perform, in whole or in part, the borrower's promises and agreements, and

(j) shall have the power to do anything that, in the receiver's opinion, will maintain and preserve the land or will increase or preserve the value or income potential of the land.

(2) From income received the receiver may do any of the following in any order the receiver chooses:

(a) retain the receiver's remuneration as fixed by the lender or ordered by the court,

(b) retain enough money to pay or recover the cost to collect the income from the land and to cover other disbursements,

(c) pay all taxes and the cost of maintaining the land in good repair, completing the construction of any building or improvement on the land, supplying goods, utilities and services to the land and taking steps to preserve the land from damage by weather, vandalism or any other cause,

(d) pay any money that might, if not paid, result in a default under any charge or encumbrance having priority over this mortgage or that might result in the sale of the land if not paid,

(e) pay taxes in connection with anything the receiver is entitled to do under this mortgage,

(f) pay interest to the lender that is due and payable,

(g) pay all or part of the principal amount to the lender whether or not it is due and payable,

(h) pay any other money owed by the borrower under this mortgage, and

(i) pay insurance premiums.

(3) The receiver may borrow money for the purpose of doing anything the receiver is authorized to do.

(4) Any money borrowed by the receiver, and any interest charged on that money and all the costs of borrowing, will be added to and be part of the mortgage money.

(5) A receiver appointed by the lender may be removed by the lender and the lender may appoint another in the receiver's place.

(6) The remuneration and disbursements of the receiver will be a charge on the land and will bear interest at the interest rate.

(7) Nothing done by the receiver under this section will make the lender a mortgagee in possession.

CONDOMINIUM PROVISIONS

11. (1) This Section applies if the land described in the mortgage form is or becomes a condominium unit which is a part of a condominium property and the Condominium Act R.S.O. 1980, as amended, and definitions in that Act will apply, as well as this section.

(2) The borrower promises the lender that:

a) the borrower will fulfil all the borrower's obligations as a condominium unit owner under the Condominium Act and the bylaws, rules and regulations of the Condominium Corporation and will pay all money owed by the borrower to the Condominium Corporation;

b) the borrower's breach of any of the borrower's obligations as a condominium unit owner will constitute a breach of the borrower's obligations under this mortgage;

c) the borrower has the right to exercise the borrower's rights as an owner of the land, to vote or to consent in all matters relating to the Condominium Corporation provided that,

(i) the lender may, at any time or from time to time, give written notice to the borrower and to the Condominium Corporation that the lender intends to exercise its right to vote or to consent and in that event, until the lender revokes its notice, the borrower may not exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter,

(ii) the lender's exercising of the right to vote or to consent will not make the lender a mortgagee in possession;

d) at the request of the lender, the borrower will give the lender copies of all notices, financial statements, proof of payment of common expenses, and other documents given by the Condominium Corporation to the borrower;

e) the borrower will insure all improvements to the condominium unit and should the Condominium corporation fail to insure the land as required, the borrower will insure common and other interests in the land or assets of the Condominium Corporation;

f) the borrower appoints the lender to be the borrower's agent to inspect or to obtain copies of any records or other documents of the Condominium corporation that the borrower is entitled to inspect or to obtain;

g) if the Condominium Corporation transfers, charges or adds to the common property, or amends the bylaws without the consent of the lender, and if, in the lender's option, the value of the land is reduced, the mortgage money will be, at the lender's option, due and payable to the lender on demand.

(3) Nothing done by the lender under this section will make or deem the lender to be a mortgagee in possession.

SUBDIVISION OF LAND

12. (1) If the land is subdivided at any time during the term of this mortgage:

(a) this mortgage will charge each subdivided lot as security for payment of all the mortgage money, and

(b) the lender is not required to discharge this mortgage as a charge on any of the subdivided lots unless and until all the mortgage money is paid.

(2) Even though the lender is not required to discharge any subdivided lot from this mortgage, the lender may, at its discretion, agree to do so in return for payment of all or part of the mortgage money. If the lender discharges a subdivided lot, this mortgage will continue to charge the subdivided lot or lots that have not been discharged.

COLLATERAL MORTGAGE

13. If the mortgage form states that this mortgage secures credit and indebtedness evidenced by any or all of the following: promissory note, loan agreement, security agreement or any other document now in effect or entered into in the future of whatever notice ("Agreements") and the borrower executes the Agreements with the lender, this mortgage shall also operate as continuing security to the lender for the repayment of all credits made available by way of advances or loans, direct or indirect, by the lender to the borrower and for all monies actually advanced by the lender and outstanding from time to time (notwithstanding that the balance owing may fluctuate and may have been from time to time reduced to a nil balance and notwithstanding that some monies previously advanced have been repaid and additional monies subsequently advanced as a revolving current or running account) and for the payment of all other of the borrower's indebtedness and liability to the lender (direct or contingent) whether presently existing or hereafter incurred. Neither the negotiation nor the discounting of any promissory note or notes nor any renewal or extension or replacement thereof shall operate as payment or release the borrower from the borrower's obligations under this mortgage.

This mortgage shall also operate as continuing security to the lender for the repayment of the mortgage money, notwithstanding at any time or from time to time there is:

(a) any change in the nature, state or form of any account between the lender and the borrower,

(b) any new advance by the lender to the borrower, whether by way of loan, discount, or otherwise,

(c) any discount or acceptance by the lender from or for the borrower of any promissory note, bill of exchange or other negotiable instrument or commercial paper, and

(d) any renewal, replacement, substitution or alteration of any promissory note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the lender or any reduction, satisfaction, payment, release or discharge thereof, or of any other security therefor. No such event or act shall constitute or be deemed to be a repayment on account of the mortgage money or any part thereof or call for or require any application, appropriation or payment on account of the mortgage money or any part thereof, unless such application, appropriation or payment shall have been expressly agreed to in writing by the lender or until this mortgage shall have been fully released and discharged by the unconditional delivery of a discharge of mortgage executed by the lender. This mortgage shall be deemed to be taken as security for the ultimate balance of the mortgage money.

It is agreed that this mortgage shall not operate so as to create any merger, rebate or discharge of any debt owing to the lender or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by the lender from the borrower or from any other person or persons whomsoever, and this mortgage shall not in any way prejudicially affect any security held or which may hereafter be held by the lender for the payment of the mortgage money or any part or parts thereof or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the lender for or on account of the mortgage money or any part or parts thereof, nor shall the remedies of the lender in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of this mortgage.

GUARANTOR'S PROMISES AND AGREEMENTS

14. (1) Each guarantor, in consideration of the lender making the loan to the borrower intended to be secured by this mortgage, by signing this mortgage:

a) in addition to its obligations under sub-paragraphs (b) and (c), agrees to be liable with the borrower as principal debtor and not as surety for the due payment of the mortgage money, at the times and in the manner provided for in this mortgage;

b) in addition to its obligations under sub-paragraphs (a) and (c), unconditionally guarantees full performance and discharge by the borrower of all of the obligations of the borrower under this mortgage at the times and in the manner provided for in this mortgage;

c) in addition, to its obligations under sub-paragraphs (a) and (b), will indemnify and save the lender harmless from and against all losses, damages, costs and expenses which the lender may sustain, incur or be or become liable for in respect of the loan secured by this mortgage, including:

1) the failure, for any reason, of the borrower to pay the mortgage money or to do any other act, matter or thing pursuant to the provisions of this mortgage; and

2) any act, action or proceeding of or by the lender for or in connection with the recovery of the mortgage money or any part thereof or obtaining performance by the borrower or any other person of any other act, matter or thing pursuant to the provision of this mortgage;

d) agrees that the lender may, at any time and without notice to, or consent or concurrence by any guarantor, renew the mortgage on the same or different terms, make any settlement, compromise, composition, extension, alteration or variation in the terms of the mortgage, including any increase in the interest rate or principal amount secured by this mortgage, or take, release or surrender any security, or otherwise deal with the borrower and that no such dealing by the lender nor any carelessness or neglect by the lender in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, failure to register or perfect any security, the loss by operation of law of any right of the lender against the borrower or any other person or the loss or destruction of any security nor any dissolution, winding up, receivership, insolvency of the borrower or any other guarantor or person in any way releases or diminishes the liability of the guarantor under this mortgage;

e) agrees that the lender will not be obliged to proceed against the borrower or any other person or to enforce or exhaust any security before proceeding to enforce the obligations of any guarantor set out in this mortgage, and that enforcement of those obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the borrower or the enforcement of any security for that debt or obligation; and

f) agrees with the lender to be jointly and severally liable under this mortgage with the borrower and all other guarantors.

Each guarantor's obligations will be binding upon the guarantor's successors, assigns, personal representatives and administrators.

(2) If the guarantor is a corporation, the guarantor represents and warrants that the execution and delivery of this mortgage and the giving of financial assistance by way of this mortgage has been determined by the directors of the guarantor to be in the best interests of the guarantor, that the execution and delivery of this mortgage is not a breach of any law governing or affecting the guarantor or any agreement given by the guarantor to any third party and that the guarantor has full power and capacity to execute and delivery of this mortgage.

LEASEHOLD MORTGAGE

15. (1) This section 15 applies only if the borrower's interest in the land at the time this mortgage is executed is or includes a leasehold interest.

(2) The borrower represents to the lender that,

(a) the lease is owned by the borrower subject only to those charges and encumbrances that are registered in the land title office at the time the borrower executes the mortgage form,

(b) the lease is in good standing,

(c) the borrower has complied with all the borrower's promises and agreements contained in the lease,

(d) the borrower has paid all rent that is due and payable under the lease,

(e) the lease is not in default, and

(f) the borrower has the right to mortgage the lease to the lender.

(3) The borrower will:

(a) comply with the lease and not do anything that would cause the lease to be terminated,

(b) immediately give to the lender a copy of any notice received from the lessor under the lease,

(c) immediately notify the lender if any party to the lease, including the borrower, advises the other party(s) to the lease of their intention to terminate the lease before the term expires, and

(d) execute any other document the lender requires to ensure that the freehold interest in the land is charged by this mortgage should such freehold interest be transferred to, or otherwise be acquired by, the borrower.

(4) Any default under the lease is a default under this mortgage.

(5) The borrower promises the lender that the borrower will not, without first obtaining the written consent of the lender,

(a) surrender or terminate the lease, or

(b) agree to change any of the terms of the lease.

(6) The lender may perform any promise or agreement of the borrower under the lease and the cost to the lender of doing so will be added to the principal amount, will be payable on demand by the borrower and will bear interest at the interest rate,

(7) Nothing done by the lender under this section 16 will make or deem the lender to be a mortgagee in possession.

GENERAL

16. (1) This mortgage binds the borrower and the covenantor and their successors, executors and administrators.

(2) Each person who sign this mortgage as a borrower is jointly and severally liable for all of the borrower's promises and agreements as though each such borrower had been the only borrower had been the only borrower to sign this mortgage.

(3) If any part of this mortgage is not enforceable all other parts will remain in effect and be enforceable against the borrower and any guarantor.

(4) The headings before the paragraphs in this mortgage do not form part of this mortgage. They have been inserted for convenience of reference only.

(5) The terms and conditions of prepayment of this mortgage prior to maturity, if any, are set out in the schedule attached to this mortgage.

(6) The implied covenants deemed to be included in this mortgage by clauses 7 (1) 1. iii and 7 (1) 2. of the Land Registration Reform Act, 1984 are varied by deleting the words "except as the records of the land registry office disclose" and substituting the words "except for encumbrances expressly permitted by the lender". The implied covenant deemed to be included in this mortgage by clause 7 (1) 1. vii. of the Land Registration Reform Act, 1984 is varied to provide that "the borrower or the borrower's successors will, before and after default, execute and deliver such further assurances of the land and do such other acts, at the borrower's expense, as may be required by the lender". The implied covenants deemed to be included in this mortgage under sub-section 7 (1) of the Land Registration Reform Act., 1984 as amended by this section, are in addition to and will not be interpreted to supersede or replace any of the covenants contained in this mortgage which are covenants by the borrower, for it and its successors, executors, heirs, administrators and assigns. If there is a conflict between any of the covenants implied by the Land Registration Reform Act, 1984, and any term contained in this mortgage, the term contained in this mortgage prevails.

(7) Notwithstanding the registration of this mortgage and the advance of funds pursuant to this mortgage, the terms and/or conditions of any letter of commitment pertaining to the loan transaction evidenced by this mortgage will remain binding and effective on the parties hereto and will not merge in this mortgage nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated in this mortgage by reference. In the event of any inconsistency between the term of any such letter of commitment and this mortgage, this mortgage will prevail.

(8) Any agreement in writing between the borrower and the lender altering the terms of this mortgage in any way, including altering the payment of the unpaid mortgage money, the term or the interest rate (whether increased or decreased) need not be registered in any land registry office, but is effectual and binding on the land and upon the borrower, the lender and upon any subsequent chargee, encumbrancer, transferee of the land, or any part thereof, or other person claiming an interest in the land, as if the agreement had been registered prior to their obtaining any interest in the land. This mortgage will be effective whether or not the whole or any portion of the principal amount is advanced before, after or on the date of execution of this mortgage. This mortgage secures the mortgage money and any portion of the principal amount may be advanced or readvanced by the lender in one or more sums on any future dates and the amount of those advances and readvances when made will be secured by this mortgage and be repayable with interest. If the whole or any part of the principal amount or other amount secured hereby is repaid, until the lender has executed and delivered to the borrower a registrable discharge of this mortgage, this mortgage remains valid security for any subsequent advance or readvance by the lender to the borrower to the same extent as if that advance or readvance had been made on the date of execution of this mortgage. Nothing in this paragraph obliges the lender to make a further advance or readvance.

Dated the 3rd day of June, 2002

TRANS CANADA CREDIT CORPORATION

Per: ______________________

Name: **Nick Scarfo**
Title: **Vice President and General Counsel**

(Signature of person filing or of authorized signing officer)

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200217 Cote

CLAUSES TYPES DE CHARGE
Filing No. 200218 Cote
Filing Date July 24, 2002 Date de Dépôt
Page 1 of/de Fourteen (14) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

CIBC MORTGAGES

FirstLine MORTGAGES

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc. trading as FirstLine Mortgages
Filing Number: 200218
Filing Date: July 24, 2002.

The following set of standard charge terms shall be deemed to be included in every mortgage in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:
Act means the *Land Registration Reform Act*, R.S.O. 1990, c. L.4, (as amended or replaced);
borrower, you and **your** mean each person who signs the mortgage as chargor(s);
CIBC means Canadian Imperial Bank of Commerce;
condominium corporation means the corporation created by the registration of a declaration under the *Condominium Act*, R.S.O. 1990, c. C.26 or the *Condominium Act*, S.O. 1998, c. C.19 (as amended or replaced);
fixed loan means the loan by which an amount of money is advanced to you pursuant to this mortgage at a fixed rate of interest specified in the schedule;
fixed loan amount means the amount of money owing to us from time to time under the fixed loan;
initial fixed loan amount means the amount set out in the schedule as the "initial fixed loan amount";
integrated loan amount means a total of (i) the principal amount, (ii) interest as required by this mortgage, (iii) interest on unpaid interest, and (iv) all other amounts that you must pay under this mortgage;
interest adjustment date means the date specified as such in the schedule;
lender, we, our and **us** mean CIBC Mortgages Inc. trading as FirstLine Mortgages, as chargee;
mortgage, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;
paragraph refers to a numbered paragraph in this set of standard charge terms;
prime rate means the variable reference rate of interest per year declared by CIBC from time to time to be the prime rate for Canadian dollar loans made in Canada;
principal amount means the amount specified as such in the registered document;
registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;
schedule means any schedule attached to the Charge/Mortgage of Land;
taxes mean all taxes, rates, levies and assessments of any nature or kind, including real property taxes, local improvement rates, development charges and levies and any taxes or duties levied in lieu of or in substitution for any of the foregoing and interest and penalties on any of them;
variable loan means the line of credit secured by this mortgage on which interest is payable at a floating rate of interest based on the prime rate as set out in the schedule; and which has a credit limit at any given time equal to the principal amount less the fixed loan amount at such time;
variable loan amount means the amount of money owing from time to time under the variable loan;
variable loan indebtedness means all your present and future indebtedness to us payable under or in connection with the variable loan including, without limitation, any applicable interest, insurance premiums, service charges and other amounts payable in respect of the variable loan as set out in the mortgage; and
your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the condominium corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for a) our lending you the initial fixed loan amount or such amount as is advanced to you on account of the fixed loan from time to time (which by signing and delivering the mortgage you acknowledge having received from us); and b) our making the variable loan available to you, you charge your entire interest in your property to us to secure repayment of the fixed loan amount and interest thereon, repayment of the variable loan indebtedness and to ensure that you perform all your obligations under the mortgage.

4. MAXIMUM AMOUNT SECURED

The maximum amount secured under this mortgage is the integrated loan amount.

5. FIXED INTEREST RATE (applicable only to fixed loan)

The interest rate payable by you on the fixed loan is specified in the schedule. Interest is payable at the frequency set out in the schedule and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the fixed loan amount at this rate both before and after the balance due date in the schedule, default and judgment, until the fixed loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered. Should you exercise this privilege, there may be an interest adjustment amount payable.

6. **COMPOUND INTEREST (applicable only to fixed loan)**

If you do not make the regular mortgage payment or other payment when required on account of the fixed loan, we will charge interest, at the rate provided in the schedule for the fixed loan both before and after the balance due date set out in the schedule, default and judgment on all overdue amounts (including interest). You must pay this additional interest immediately when we require, both before and after the balance due date, default and judgment.

7. **REPAYMENT OF FIXED LOAN AMOUNT (applicable only to fixed loan)**

(a) **Currency and Place**

You will pay the fixed loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) **Interest Adjustment Date**

Interest on advances of the fixed loan up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the schedule in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances, or be deducted by us on the first fixed loan payment date.

(c) **Regular Payments**

You will make regular payments of principal and interest to us on account of the fixed loan on the payment dates specified in the schedule each in the amount specified in the schedule, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your mortgage. Should you decide to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the fixed loan amount on the balance due date as set out in the schedule.

(d) **Payment Provisions on Default**

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the fixed loan amount if you do not do so. We may also use the rights we already have under paragraph 25.

(e) **Bank Account for Payments**

You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each fixed loan payment of principal, interest, taxes and insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

8. **HOW WE APPLY YOUR FIXED LOAN PAYMENTS**

Each of your regular fixed loan payments will be used in the following order:

(a) to pay life insurance premiums payable in respect of the mortgage, if any;

(b) to bring into good standing any accounts in which funds are held pending payment to third parties or from which amounts are debited in respect of the mortgage, including tax accounts;

(c) to pay for the cost of optional services made available by us and selected by you, if any;

(d) to pay any collection expenses or any applicable administration or processing fees;

(e) to pay interest or reduce the interest (including any deferred interest, outstanding interest or late interest charges) on the principal amount accumulated to but not including the payment date; and

(f) to reduce the principal amount.

However, if you do not meet any of your obligations under the mortgage we may apply any payments or any other money we receive during the period of default in whatever order we may elect as amongst any amounts payable by you under the mortgage. The amount of interest in arrears may be obtained by contacting us.

9. **YOUR PREPAYMENT RIGHTS (applicable only to fixed loan)**

(a) If the term of the fixed loan is greater than five years and you are not a corporation, you may prepay the fixed loan amount at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding fixed loan amount and interest to the date of payment and three months' further interest at the fixed loan interest rate specified in the schedule on the fixed loan amount in lieu of notice.

(b) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

(c) If you have complied with all your obligations under the mortgage and your property contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights:

(i) **Partial Prepayment**: When not in default, you shall have the privilege of prepaying additional amounts of principal on account of the fixed loan, with no penalty, on any fixed loan payment date. Such additional payments must each be in a minimum amount of $100, and shall not be in excess of 20% of the initial fixed loan amount during any 12 month period following the interest adjustment date or each anniversary thereof.

This privilege is non-cumulative and is only available if the fixed loan continues to exist and is not applicable in part to any payment in full of the fixed loan.

(ii) **Monthly Payment Adjustments**: When not in default, you shall have the privilege of increasing the regular fixed loan payment on account of principal and interest as set out herein and as specified in the schedule, in an amount not to exceed 25% thereof, once during any 12-month period following the interest adjustment date or anniversary thereof. This privilege is non-cumulative. It is understood that the regular payment may never be less than the original principal and interest payment specified in the schedule. You may also decrease the amount of your regular principal and interest payment once during any 12-month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period for the fixed loan less the amount of time that has elapsed since you took out the mortgage.

(iii) **Full Payment Prior To Maturity:** Subject to paragraphs (a) and (b) above, you may prepay the fixed loan in full or in part, without notice upon payment of an administration fee equal to the greater of:

A. Three months' interest at the fixed loan interest rate specified in the schedule or if renewed or early renewed at the fixed loan interest rate for your chosen renewal option on the fixed loan amount in lieu of notice; or

B. The amount, if any, by which fixed loan interest at the rate specified in the schedule or if renewed or early renewed at the fixed loan rate for your chosen renewal option exceeds interest at the current reinvestment interest rate, calculated on the principal amount prepaid by you, for the remaining term of the fixed loan or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

10. **EARLY RENEWAL (applicable only to fixed loan)**

In the event that the mortgage is amended to extend the fixed loan term hereof, the date of the mortgage for the purpose of the application of Section 10 of the *Interest Act* (Canada) or any similar Federal or Provincial legislation permitting prepayment, shall be conclusively deemed to be the first day of the last extension of time for payment and the mortgage as amended shall not, at any time or times, be subject to prepayment, in whole or in part, save as may be herein provided.

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out in the schedule. You must apply in writing to use this right of early renewal. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The fixed loan interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. If you elect to early renew, you agree to pay us all applicable processing and administration fees including an administration fee as calculated under paragraph 9(c)(iii) as if the fixed loan amount at the time of early renewal was prepaid in full, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration if we choose to register the documentation.

11. **AUTOMATIC RENEWAL OF MORTGAGE (applicable only to fixed loan)**

You agree to either pay the monies owing under the mortgage on account of the fixed loan on the balance due date set out in the schedule or, if a renewal agreement has been provided, return the executed renewal agreement on or before the balance due date, failing which you agree that the mortgage may, at our option, be deemed to be renewed for the shortest term then being offered for the fixed loan portion of our product under which this mortgage is granted at the then posted fixed interest rate for such term and otherwise on the terms and conditions set out in the renewal agreement.

12. **MORTGAGES WITH DEPOSITS (applicable only to fixed loan)**

If required pursuant to the terms of your fixed loan, you shall deposit funds as a mortgage security deposit. You authorize us to deduct the deposit from the initial fixed loan amount advanced. You will earn interest on this deposit amount at the 30-day deposit rate of CIBC. The deposit must be advanced within 120 days from the date of funding. If this is not done, you authorize us to apply the deposit on account of the fixed loan amount and the monthly payment will be adjusted to reflect the lower fixed loan amount. Interest will not be paid if the deposit is not released to you.

13. **CONTINUING SECURITY – VARIABLE LOAN**

Your security under this mortgage, whether or not it secures a revolving or fluctuating balance, is continuing security for the variable loan indebtedness, whether or not there is any change in the amount, nature or form of the variable loan indebtedness, in any accounts relating to the variable loan indebtedness or if the variable loan indebtedness is reduced to zero at any particular time. This mortgage will not be considered to have been discharged or redeemed as a result of any such event.

You can access the variable loan in a variety of ways, including cheques and, if you have signed up for these services, internet banking and by pre-authorized debit. Any such cheques or withdrawals may only be in Canadian funds.

All transfers of funds from the variable loan to any other account held with or by CIBC or its affiliates or any other entity are treated as increases to the variable loan indebtedness. Funds withdrawn on the variable loan through internet or electronic banking will be withdrawn on the date you instruct us to withdraw the funds. You understand that not all financial institutions process electronic transactions within the same time period and you should give withdrawal instructions several business days in advance of the date on which you wish the funds to be transferred to another account. We will not be responsible for processing delays by other financial institutions.

14. **VARIABLE INTEREST RATE (applicable only to variable loan)**

(a) The interest rate payable by you on the variable loan is a variable rate equal to our prime rate plus or minus a certain percentage per annum specified in the schedule, or such lesser rate as we may agree to charge you on the variable loan amount from time to time, with interest on overdue interest at the same rate. The interest rate will change automatically, without notice, whenever the prime rate changes. You can find out what the prime rate is on any given day by calling us toll free at 1-800-970-0700 in Canada or by visiting our web site at www.firstline.com. Interest is payable monthly as set out in the schedule and is compounded monthly on the daily balance of your variable loan indebtedness.

(b) We charge you interest on all amounts you borrow on your variable loan. We charge interest from the day we record the transaction until the day we receive the amount you owe. Interest is shown on your monthly statement. Interest that accumulates before we receive your payment will appear on your next monthly statement. You must pay interest both before and after any of the following events: (i) we ask you to pay the total amount you owe on your variable loan; (ii) you fail to satisfy the terms of this mortgage; (iii) you become bankrupt or insolvent; (iv) you have any legal action taken against you or your property; or (v) we obtain a court order instructing you to pay us the money you owe.

(c) The information in Appendix 1 to this set of standard charge terms is provided to you since the interest rate charged on the variable loan may be expressed other than as a semi-annual calculation and/or may be expected to change from time to time. For each current mortgage rate calculated monthly not in advance, the adjacent column provides the equivalent interest rate calculated half-yearly not in advance.

15. **REPAYMENT OF VARIABLE LOAN AMOUNT (applicable only to variable loan)**

(a) You will pay us the variable loan indebtedness on demand at the address set out in the registered document or as you may be notified in writing. Until demand, you will make regular monthly payments of interest only on the variable loan amount; provided that the minimum payment is fifty dollars ($50) plus applicable life insurance premiums and service charges. If the variable loan amount is less than fifty dollars ($50), then the entire variable loan amount together with applicable life insurance premiums and service charges is payable on the next variable loan payment date. You may also make additional payments at any time.

(b) You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each variable loan payment when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 15.

(c) For your information and convenience, monthly statements dated the 18th day of each month will be made available to you showing the required payment for the period specified in the statement on account of the variable loan. Each monthly payment is due 21 days after the date of any such statement, whether or not you have accessed or received your monthly statement. If the payment due date is a holiday or weekend, the payment may, at our option, from time to time, be processed on the next business day. You must report any errors or omissions on the monthly statement to us, in writing, within thirty (30) days of the date of the statement. After that 30th day, the monthly statement will be final (except for any improper credits), and you may not make any claims against us in connection with the monthly statement. You must report to us immediately if your cheques or any card you use to access your variable loan are lost or stolen, or if you suspect that they have been lost or stolen.

(d) We may apply any money that we get to reduce your variable loan indebtedness as we see fit (unless you and we sign an agreement to the contrary) and any credit balance may, at our option, be applied to any other part of the integrated loan amount in the order specified in paragraph 8 above.

(e) Your giving us this mortgage does not prevent us from using any other means to obtain repayment of the variable loan indebtedness.

(f) If at any time you fail to pay any amount due under the mortgage (whether on account of the variable loan amount or fixed loan amount) or fail to comply with any of your obligations under the mortgage or at any other time in our discretion, at our option, we may: (i) refuse to advance any further credit under the variable loan; (ii) refuse any withdrawal on the variable loan; (iii) cap the variable loan amount; and/or (iv) require you to convert the variable loan amount into the fixed loan as set out in paragraph 16. If a withdrawal would exceed the principal amount less the fixed loan amount we may refuse any such withdrawal on the variable loan or require immediate repayment of the amount which exceeds the principal amount less the fixed loan amount.

(g) If you fail to make a payment when it becomes due or fail to comply with an obligation in this mortgage, in addition to interest, we may impose charges for the sole purpose of recovering the costs reasonably incurred: (a) for legal services retained to collect or attempt to collect the payment; (b) in realizing on any security interest or in protecting such security interest, including the cost of legal services retained for that purpose; and (c) any service charges.

(h) We will make demand for payment of the variable loan amount either by delivering demand to you personally or mailing it (by first class mail) to what our records show to be your most recent address. YOU WILL BE CONSIDERED TO HAVE RECEIVED OUR DEMAND LETTER ON THE DATE OF DELIVERY OR THE FIFTH DAY AFTER MAILING, as the case may be.

(i) You will pay insurance premiums (if any) and applicable taxes as well as service charges relating to your variable loan, as disclosed to you in writing, as those insurance premiums and service charges may be changed from time to time and as reflected on your monthly statement.

16. CONVERSION OPTION (applicable only to variable loan)

If you have complied with all of your obligations under the mortgage and your property contains no more than four living units or is a single residential condominium unit, then you may increase the fixed loan amount by converting any or all of the variable loan amount into the fixed loan amount outstanding at that time. Conversion of any or all of the variable loan amount will be considered to be an early renewal of the fixed loan amount as set out in paragraph 10. You must apply in writing to use this right of conversion. You will be able to convert the variable loan into the fixed loan by selecting from the fixed loan options and terms that we offer at the time that you apply for conversion and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the new fixed term loan. The fixed loan interest rate payable by you will be our interest rate for the fixed loan term selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. In order to convert, you agree to pay us all applicable processing and administration fees including an administration fee as calculated under paragraph 9(c)(iii) on the fixed loan amount at the time of conversion, together with any accumulated interest which may result from a change in the frequency of the regular fixed loan payments to be made. You also agree that you will pay all legal expenses with respect to the conversion documentation and its registration if we choose to register the documentation.

Further, if you fail to make any payments due under the mortgage we may, in our discretion, upon written notice require you to convert any or all of the variable loan amount into the fixed loan amount. We will select a term and payment frequency from the fixed loan terms and payment options that we offer at the time that we require the conversion and you agree to sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The fixed loan interest rate payable by you will be our interest rate for the fixed loan term we select, in effect at the date of such selection. You agree to pay us all applicable processing and administration fees including an administration fee as calculated under paragraph 9(c)(iii) on the fixed loan amount at the time of conversion, together with any accumulated interest which may result from a change in the frequency of the regular fixed loan payments to be made. You also agree that you will pay all legal expenses with respect to the conversion documentation and its registration if we choose to register the documentation.

17. ONE FIXED TERM LOAN

You are not entitled to have more than one fixed term loan secured by the mortgage.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200218 Cote

18. **CERTAIN PROMISES YOU MAKE TO US**

You certify and agree with us that:

(i) you will pay the integrated loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;

(ii) you are the lawful owner of your property in fee simple and there are no encumbrances affecting title to your property;

(iii) you have the right to give us the mortgage;

(iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land registry office applicable to the property and except for building and zoning by-laws, with which you have complied;

(v) to the best of your knowledge and belief, after reasonable enquiry and investigation:

A. no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders and only then, if you have given us prior notice of such intended use and we have approved in writing; and

B. no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property;

We may (but are not obligated to) require you, at your expense, from time to time, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

(vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the integrated loan amount is adequately secured;

(vii) if you default in any of your obligations under the mortgage, we may at our option, take possession of your property without any encumbrances or interference; and

(viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

19. **DEMOLITION AND ALTERATIONS**

(a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications. If our consent is obtained, all alterations, additions and improvements will be completed in accordance with the plans and specifications so approved.

(b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the fixed loan amount or the variable loan amount, in our sole discretion.

20. **INSURANCE (this paragraph does not apply if your property is a single residential condominium unit)**

(a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their guaranteed replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.

(b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 30 days before any policy expires, evidence of its renewal.

(c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money, which we pay for insurance, will be immediately payable by you to us or added to the fixed loan amount or the variable loan amount, in our sole discretion, if not so paid and bear interest at the applicable rate specified in the schedule.

(d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:

(i) used to repair or rebuild your property;

(ii) paid to you to be used by you to repair or rebuild your property; and/or

(iii) used to reduce any part of the fixed loan amount or the variable loan amount, whether due or not, and including an amount to compensate us for loss of interest.

21. PROPERTY TAXES

(a) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.

(b) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable pursuant to the fixed loan, the applicable tax installment, based on the estimated annual taxes and anticipated future payments of taxes (as determined by us) that will be payable for the year following such regular mortgage payment date.

(c) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 21(b). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them, failing which you will repay to us the cost of obtaining such documentation and, if not paid, we will add such cost to the fixed loan amount or the variable loan amount, in our sole discretion. We do not have to hold any moneys which you send us under this paragraph 21 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may, if we wish, apply any moneys which we have received under paragraph 21 to any portion of the fixed loan amount or the variable loan amount, in our sole discretion.

(d) Notwithstanding the provisions of this paragraph 21 we may, at our option, choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year, failing which you will repay to us the cost of obtaining such receipts and, if not paid, we will add such cost to the fixed loan amount or the variable loan amount, in our sole discretion. If, for any reason, you do not pay the taxes when required, then paragraphs 21 (a) through (c) will apply, at our option.

22. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation, rule and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph 22, then we can make whatever repairs and replacements are, in our opinion, necessary. The costs of such repairs and replacements and of any inspections are payable by you immediately and if not paid, will be added to the fixed loan amount or the variable loan amount, in our sole discretion.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

23. ADVANCES UNDER THE MORTGAGE

(a) **No Obligation to Make Advances to You Under the Mortgage** - If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been signed and registered and whether or not any part of the principal amount has previously been advanced. Even so, by signing the mortgage you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

(b) **Re-advances of Fixed Loan** - At your request, we may from time to time, at our sole option, re-advance any amount of the initial fixed loan amount which has been repaid by you to us. Any such re-advance, when taken together with the outstanding fixed loan amount, shall not exceed the initial fixed loan amount and, at any given time, the integrated loan amount shall not exceed the principal amount. All amounts re-advanced under the fixed loan pursuant to this paragraph shall be subject to all of the terms and conditions of this mortgage. If the re-advance causes the amortization schedule of the fixed loan to increase beyond the amortization period remaining on the date of the re-advance, we may cause you to increase the amount of your regular fixed loan payments.

24. LEASES AND RENTS

(a) You certify that your property is intended to be used as owner-occupied residential premises and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property.

(b) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 24, then at our option the integrated loan amount or such part of it as we specify in our sole discretion will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the fixed loan amount or the variable loan amount, in our sole discretion. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

(c) Nothing we do under this paragraph 24 will put us in possession of your property and we are not obliged to (but may, at our sole option) collect any rent or income from your property or to comply with any term of any lease or agreement. We will be accountable for rent only when we actually receive it.

(d) Rental of any part of your property shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, c. M.40 (as amended or replaced).

25. ACCELERATION OF REPAYMENT

The integrated loan amount or such part of it as we specify will immediately become payable, at our option, if:

(a) you do not make any payment required by the mortgage;

(b) you do not comply with any of your other obligations under the mortgage;

(c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the mortgage (including without limitation those contained in paragraph 18) is untrue;

(d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;

(e) any buildings being erected on, or additions, alterations or improvements done to your property remain unfinished without work being done on them for a period of ten consecutive days;

(f) your property is abandoned;

(g) you are unable to pay your debts as such debts become due or you are adjudged or declared to be or admit to being bankrupt or insolvent; or

(h) you do not make any payment or comply with any of your obligations required under any other loan outstanding with us, CIBC or any affiliate of either which is not secured by this mortgage.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

26. RELEASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the integrated loan amount and your obligations, and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the integrated loan amount.

27. RENEWING OR AMENDING THE MORTGAGE

(This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate or rates applicable to the fixed loan and/or the variable loan. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the fixed loan amount and/or the variable loan amount will not release or affect the liability of anyone who does not sign such written agreement.

If the principal amount is not fully advanced at any time or from time to time and whether or not the amounts secured by the mortgage are at any time reduced to zero, the mortgages/claims of subsequent mortgagees are automatically postponed to this mortgage and our claim for payment of the entire integrated loan amount without the need for any further instrument of postponement.

28. CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage or which affect your property. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and we can pay all expenses which we incur in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the fixed loan amount or the variable loan amount, in our sole discretion and such payments will be charged interest at the applicable rate specified in the schedule from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date for the fixed loan will be paid by you or added to the fixed loan amount and charged interest at the applicable rate specified in the schedule.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the fixed loan, we are entitled to retain another solicitor of our choice to provide such opinion at your expense, and such expense if not paid by you may be added to the fixed loan amount or the variable loan amount, in our sole discretion.

If the sum of the fixed loan amount and the variable loan amount at any time exceeds the principal amount, it is our discretion as to what part of the fixed loan amount and/or the variable loan amount is secured by this mortgage.

29. ENFORCING OUR RIGHTS

(a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage or if the integrated loan amount or any part of it becomes due under paragraph 25, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

(i) **Sue you** - We may take such action as is necessary to collect the integrated loan amount or any part of it as determined in our sole discretion.

(ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the total of the integrated loan amount, you must pay us the difference.

(iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days' notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the integrated loan amount. If the net proceeds do not pay the total of the integrated loan amount in full, you must pay us the difference.

(iv) **Power of Sale** - If your default continues for 15 days we may, on at least 35 days' written notice to you as required by Part III of the *Mortgages Act*, R.S.O. 1990, c. M.40 (as amended or replaced) enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the integrated loan amount. If the net proceeds do not pay the total of the integrated loan amount in full, you must pay us the difference.

(v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the fixed loan amount or the variable loan amount, in our sole discretion.

(vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the integrated loan amount whether it is due or not.

(vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

(b) **Non-Interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

(c) **Our Expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of CIBC.

(d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the integrated loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.

(e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

30. CONDOMINIUM

(If your property is a condominium unit, you must also comply with this paragraph 30 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 20.)

(a) **Compliance with the *Condominium Act*, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

(b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and add such amount to the fixed loan or variable loan in our sole discretion and you will be in default under the mortgage.

(c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we may receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

(d) **Voting Rights** -

(i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.

(ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

(e) **Acceleration of Repayment of Integrated Loan Amount** - At our option, the integrated loan amount or such part as we specify will become payable immediately if:

(i) government of the property of the condominium corporation under the *Condominium Act* is terminated;

(ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;

(iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;

(iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;

(v) the condominium corporation fails, in our opinion, to manage or cause to be managed the condominium property and assets in a careful way or to maintain its assets in good repair; or

(vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act,* the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. We must approve the insurance company or companies. You and the condominium corporation or both, assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you to repair the damage or be applied to reduce any part of the integrated loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

31. DUE ON SALE

This mortgage is not transferable. If you transfer title to your property, or agree to do so, the integrated loan amount or such part of it as we specify will, at our option, immediately become payable in full. This will be considered a prepayment and will be subject to processing and administration fees including an administration fee as calculated under paragraph 9(c)(iii) on the fixed loan amount at the time of the deemed prepayment.

32. NO ASSUMPTION

This mortgage cannot be assigned by you or assumed by any other person or persons. Any person dealing with this mortgage is advised that only the borrower may access money under the variable loan. If, notwithstanding this paragraph and without limiting our rights under paragraph 15, you assign this mortgage and money is accessed by you and/or by the assignee subsequent to the assignment, liability for repayment of this amount will be joint and individual between you and the assignee. Any payment which we accept from any person other than you will not mean we have waived this paragraph which prohibits assignment of the mortgage by you and assumption of the mortgage by any one other than you.

33. INSPECTION

If we or our agents have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we or our agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the applicable rate specified in the schedule for the fixed loan or the variable loan, in our sole discretion, will be immediately payable by you and will be a charge on your property. We and our agents will not become a mortgagee in possession, management or control by exercising these rights.

34. EXPROPRIATION

If your entire property is expropriated, the integrated loan amount or such part of it as we specify, will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the fixed loan amount or the variable loan amount, in our sole discretion. If, in our opinion, the remainder of your property does not constitute adequate security for the integrated loan amount, then the integrated loan amount, or such part as we specify will immediately become due and payable together with loss of interest.

35. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's heirs, executors, successors and assigns) each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the integrated loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may, at any time and from time to time, without the consent of or notice to any guarantor, give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, or rates, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrower without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's heirs, executors, successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

36. RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate or rates, will not lessen the obligations of any person who does not join in any such amending agreement.

37. DISCHARGE OF MORTGAGE

Upon maturity of the term of the fixed loan or early full payment of the integrated loan indebtedness in accordance with this mortgage, a discharge or assignment, if requested by you, will only be delivered upon full payment being received by us in accordance with our latest issued and current discharge statement. For purposes of calculating per diem interest on a discharge, funds received after 3:00 p.m. on any business day shall be deemed to have been received on the next following business day. We further reserve the right to refuse a discharge or transfer of mortgage until any charges or returned cheque amounts or dishonoured payments or further advances made, in each case, arising or occurring after the discharge statement is issued are also fully paid to us.

You will pay our usual administrative fee for preparing and signing the discharge or assignment, as the case may be and all legal and other expenses, whether the document is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we may register the discharge or assignment on your behalf and at your expense and will provide either you or your solicitor (as applicable) with confirmation of registration.

38. FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any discharges, amending or other agreement, statements for information purposes, payment frequency changes, any fees referred to in this mortgage, replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the fixed loan amount or the variable loan amount, in our sole discretion, which unpaid fees will be charged interest at the applicable interest rate required by the mortgage.

The amount of such fees in effect at any particular time is available by contacting us.

39. PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, upon the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 90 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

(a) on the date of completion of the sale of the property, an amount sufficient to pay the then outstanding integrated loan amount of the mortgage including interest accrued thereon to date plus any amount then available under the variable loan, even though not then advanced, plus any administration fees including, without limitation, administration fees payable in accordance with the prepayment provisions described in paragraph 9 above that apply to the mortgage will be paid by you to our solicitor and held by our solicitor in trust to be released upon registration of the new mortgage within the 90-day period;

(b) if the new mortgage is not registered within 90 days of such sale, the amount referred to in (a) above, will be applied to prepay this mortgage in full and to pay any administration fees including, without limitation, administration fees payable in accordance with the prepayment provisions described in paragraph 9 above that apply to the mortgage and the balance, if any, returned to you;

(c) you will continue to make all payments required under this mortgage as if it continued to remain in force after the sale of the property until the registration of the new mortgage at which time the provisions of the new mortgage will apply;

(d) the mortgage must be transferred to the new property with no changes in outstanding balance, interest rate, terms or any other conditions applicable herein; and

(e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new mortgage.

40. **FAMILY LAW ACT**

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made herein and in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, c. F.3 (as amended or replaced).

41. **DOCTRINE OF CONSOLIDATION**

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages with CIBC Mortgages Inc. and any division or name under which it may provide services then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

42. **DATE OF MORTGAGE**

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document regardless of the date of signature that appears in the registered document.

43. **ONTARIO NEW HOME WARRANTIES PLAN ACT**

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, c. O.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

44. **WHO IS BOUND**

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

45. **ELECTRONIC, WRITTEN AND ORAL COMMUNICATIONS**

If more than one person signs the mortgage as borrower we can rely on communications we receive from any one of you, whether these communications are received electronically, in writing, orally or otherwise and such communications from any one of you will be considered to be communication from all of you. Cheques written by any one of you will be considered to have been authorized by all of you. In addition, communications from us to any one of you, whether these communications are delivered electronically, in writing, orally or otherwise, will be considered to be communication to all of you. Items mailed to you will be considered to have been received by you by the fifth day after mailing.

46. **PARTIAL INVALIDITY**

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

47. **PARAGRAPH HEADINGS**

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

48. **MAKING MATERIAL CHANGES**

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or rates or renewals or extensions of the term of the fixed loan will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

Dated at Toronto, this 17th day of July, 2002

C.A. McNeill

Christie A. McNeill
Solicitor for CIBC Mortgages Inc.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200218 Cote

APPENDIX 1
EQUIVALENT INTEREST RATES

Interest Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Interest Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Interest Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)
3.000	3.019	**11.000**	11.255	**19.000**	19.768
3.125	3.145	11.125	11.386	19.125	19.903
3.250	3.272	11.250	11.517	19.250	20.039
3.375	3.399	11.375	11.648	19.375	20.174
3.500	3.526	11.500	11.779	19.500	20.310
3.625	3.652	11.625	11.910	19.625	20.445
3.750	3.779	11.750	12.041	19.750	20.581
3.875	3.906	11.875	12.173	19.875	20.716
4.000	4.033	**12.000**	12.304	**20.000**	20.852
4.125	4.166	12.125	12.435	20.125	20.988
4.250	4.288	12.250	12.567	20.250	21.124
4.375	4.415	12.375	12.698	20.375	21.260
4.500	4.542	12.500	12.830	20.500	21.396
4.625	4.670	12.625	12.962	20.625	21.532
4.750	4.797	12.750	13.094	20.750	21.668
4.875	4.925	12.875	13.225	20.875	21.804
5.000	5.052	**13.000**	13.357	**21.000**	21.940
5.125	5.180	13.125	13.489	21.125	22.077
5.250	5.308	13.250	13.621	21.250	22.213
5.375	5.436	13.375	13.753	21.375	22.350
5.500	5.563	13.500	13.885	21.500	22.486
5.625	5.691	13.625	14.018	21.625	22.623
5.750	5.819	13.750	14.150	21.750	22.760
5.875	5.947	13.875	14.282	21.875	22.896
6.000	6.076	**14.000**	14.415	**22.000**	23.033
6.125	6.204	14.125	14.547	22.125	23.170
6.250	6.332	14.250	14.680	22.250	23.307
6.375	6.460	14.375	14.812	22.375	23.444
6.500	6.589	14.500	14.945	22.500	23.581
6.625	6.717	14.625	15.078	22.625	23.719
6.750	6.846	14.750	15.211	22.750	23.856
6.875	6.974	14.875	15.344	22.875	23.993
7.000	7.103	**15.000**	15.477	**23.000**	24.131
7.125	7.232	15.125	15.610	23.125	24.268
7.250	7.360	15.250	15.743	23.250,	24.406
7.375	7.489	15.375	15.876	23.375	24.543
7.500	7.618	15.500	16.009	23.500	24.681
7.625	7.747	15.625	16.143	23.625	24.819
7.750	7.876	15.750	16.276	23.750	24.957
7.875	8.005	15.875	16.409	23.875	25.095
8.000	8.135	**16.000**	16.543	**24.000**	25.232
8.125	8.264	16.125	16.677	24.125	25.371
8.250	8.393	16.250	16.810	24.250	25.509
8.375	8.522	16.375	16.944	24.375	25.647
8.500	8.652	16.500	17.078	24.500	25.785
8.625	8.781	16.625	17.212	24.625	25.923
8.750	8.911	16.750	17.346	24.750	26.062
8.875	9.041	16.875	17.480	24.875	26.200
9.000	9.170	**17.000**	17.614	**25.000**	26.339
9.125	9.300	17.125	17.748	25.125	26.477
9.250	9.430	17.250	17.882	25.250	26.616
9.375	9.560	17.375	18.016	25.375	26.755
9.500	9.690	17.500	18.151	25.500	26.894
9.625	9.820	17.625	18.285	25.625	27.033
9.750	9.950	17.750	18.419	25.750	27.172
9.875	10.080	17.875	18.554	25.875	27.311
10.000	10.211	**18.000**	18.689	**26.000**	27.450
10.125	10.341	18.125	18.823	26.125	27.589
10.250	10.471	18.250	18.958	26.250	27.728
10.375	10.602	18.375	19.093	26.375	27.867
10.500	10.732	18.500	19.228	26.500	28.007
10.625	10.863	18.625	19.363	26.625	28.146
10.750	10.994	18.750	19.498	26.750	28.286
10.875	11.124	18.875	19.633	26.875	28.425

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CLAUSES TYPES [illegible] REV. 06-02
Filing No. 200219 Cote
Filing Date July 24, 2002 Date de Dépôt
Page 1 of/de Sixteen (16) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Filing Date: July 24, 2002

Filing No. 200219

STANDARD CHARGE TERMS

Filed by

NATIONAL BANK OF GREECE (CANADA)

This set of standard charge terms shall be deemed to be included in every charge or mortgage of land in which this set of standard charge terms is referred to by the above filing number, as provided for by section 9 of the Land Registration Reform Act, irrespective of whether the charge is registered using a paper-based system of registration or if it is registered electronically.

1. DEFINITIONS

1.1 The following words and terms, as used in this document shall be defined as follows:

(a) **"Balance Due Date"** means the date stated in Box 9(i) of the Charge/Mortgage of Land, such date being the date on which the Chargor is required to repay all amounts secured by the Charge to the Chargee in full;

(b) **"Business Day or Days"** means any day or days on which both the Chargee and Chargor conduct business;

(c) **"Charge"** means these Standard Charge Terms, the Charge/Mortgage of Land which referentially incorporates these Standard Charge Terms and any schedules to the said Charge/Mortgage of Land;

(d) **"Charged Property"** means the lands and premises described in Box (5) of the Charge/Mortgage of Land which referentially incorporates these Standard Charge Terms and any schedules to the said Charge/Mortgage of Land;

(e) **"Chargee"** means National Bank of Greece (Canada), its successors and assigns;

(f) **"Charge/Mortgage of Land"** means the form designated by the Land Registration Reform Act as Form 2 which contains the legal description of the Charged Property and referentially incorporates these Standard Charge Terms;

(g) **"Chargor"** means any Person who signs the Charge/Mortgage of Land which referentially incorporates these Standard Charge Terms and every successor and assign of the Chargor;

(h) **"Contaminant"** has the same meaning as ascribed to the term by section 1.(1) of the Environmental Protection Act (Ontario), as may be amended from time to time;

(i) **"Debit Balance"** means the amount by which the actual Taxes in any year exceed the amount estimated by the Chargee as the amount which must be paid by the Chargor to the Chargee pursuant to the Charge;

(j) **"Discharge"** has the same meaning as ascribed to the term by section 1.(1) of the Environmental Protection Act (Ontario) and section 1. of the Ontario Water Resources Act, as may be amended from time to time;

(k) **"Electronic Charge"** means a charge in an electronic format.

(l) **"Event of Default"** means any act, omission or any event described in Section 20 of these Standard Charge Terms;

(m) **"First Payment Date"** means the date stated in Box 9(f) of the Charge/Mortgage of Land;

(n) **"Government Legislation"** means every statute, act, regulation, by-law, ordinance or other measure adopted by any federal, provincial, regional, county, district or municipal government whatsoever, present and future, which affects the Charged Property or the interest of the Chargor in the Charged Property;

(o) **"Improvement"** means every present or future building, structure, fixture or other facility constructed on or under the Charged Property, in whole or part, and any alteration, reconstruction or expansion thereof;

(p) **"Interest Adjustment Date"** means the date stated in Box 9(d) of the Charge/Mortgage of Land or such other date that the Chargee and Chargor may agree to in writing to be the date on which the calculation of interest on the Principal Amount commences;

(q) **"Interest Rate"** means the rate of interest stated in Box 9(b) of the Charge/Mortgage of Land or any other rate as may be otherwise agreed to by the Chargee and Chargor in writing;

(r) **"Land Registration Reform Act"** means the Land Registration Reform Act, R.S.O. 1990, c.L.4, all regulations made thereunder and all amendments thereof and all successor statutes and regulations thereto;

(s) **"Last Payment Date"** means the date stated in Box 9(g) of the Charge/Mortgage of Land;

(t) **"Lease"** means every present and future written or oral agreement, whether private or prescribed by Government Legislation, for the use and occupancy of the Charged Property or any part thereof and every renewal, replacement, modification, revision, substitution or amendment of any such agreement, and any licence therefore;

(u) **"Lending Agreement"** means the commitment or commitment letter signed by each of the Chargee and the Chargor and any other written agreements between the parties which provide for a Charge on the Charged Property and the amendment, extension or renewal thereof;

(v) **"Maturity Date"** means the date stated in Box 9(i) of the Charge/Mortgage of Land or such other date as may be otherwise agreed to by the Chargee and Chargor in writing;

(w) **"Monthly Instalment"** means the amount stated in Box 9(h) of the Charge/Mortgage of Land, being a blended payment of principal and interest.

(x) **"Payment Date"** means, as stated in Box 9(e) of the Charge/Mortgage of Land, the day in each and every month from and including the First Payment Date to and including the Last Payment Date;

(y) **"Prime Rate"** means the floating annual rate of interest established and announced, from time to time, by the Chargee at the Chargee's main branch in Montreal, Quebec as the base rate the Chargee will use to determine rates of interest on Canadian dollar loans to the Chargee's customers in Canada and designated as the Chargee's prime rate;

(z) **"Principal Amount"** means the amount stated in Box 9(a) of the Charge/Mortgage of Land, which amount shall include the aggregate of all amounts advanced by the Chargee to the Chargor or to whom the Chargor directs in writing pursuant to the Lending Agreement and the Charge which have not been repaid to the Chargee;

(aa) **"Pro-Rated Tax Payment"** means the monthly portion of the Taxes determined by the Chargee as being payable by the Chargor together with the Monthly Instalment.

(bb) **"Re-investment Loss Compensation"** means any loss to the Chargee based on re-investment of the principal amount prepaid over the remainder of the Term from the date of prepayment, at a rate of interest equal to the rate for Government of Canada bonds having a term closest to (but not less than) the remainder of the Term from the date of prepayment, plus all expenses and costs incurred by the Chargee in connection therewith; the amount to be paid by the Chargor in re-investment loss compensation, as calculated by the Chargee shall, in the absence of obvious error, be conclusive; provided that the re-investment loss compensation shall not be greater than the amount of interest that the Chargor would have paid if the Charge was not prepaid;

(cc) **"Receiver"** means a receiver or a receiver and manager, whether appointed by the Chargee pursuant to the provisions of this Charge or by an Ontario court of law;

(dd) **"Tax Due Date"** means the date stipulated by a taxing authority for the payment of a tax instalment after which date penalty interest is charged by the taxing authority on the unpaid tax;

(ee) **"Taxes"** means all taxes, levies, rates, assessments, or other amounts which are or may be imposed, charged, levied or liened on or against the Charged Property or the Chargee by Government Legislation;

(ff) **"Tenant"** means any person, company or other entity in occupation of the Charged Property with the permission of the Chargee under any leasing, occupancy or licence agreement;

(gg) **"Term"** means the term of the Charge and any renewals or extensions of the original term, which Term commences on the Interest Adjustment Date and ends on the Maturity Date;

2. EXCLUSION OF STATUTORY COVENANTS

2.1 The provisions of subparagraphs 1(iv) to 1(ix), inclusive, of Section 7 of the Land Registration Reform Act are hereby expressly excluded from this Charge and are replaced by these Standard Charge Terms.

3. CHARGE

3.1 In consideration of the Principal Amount being advanced or to be advanced by the Chargee to the Chargor or to whom the Chargor may direct in writing in accordance with the Charge and the Lending Agreement, the receipt of which is acknowledged by the Chargor, the Chargor charges and mortgages the Charged Property to the Chargee until such time as all amounts secured by this Charge, including the Principal Amount and interest thereon at the Interest Rate, and all costs, expenses and other charges, and interest thereon at the Interest Rate, to which the Chargee is entitled under the terms of the Charge are repaid or paid to the Chargee in full.

3.2 This Charge shall be void on receipt of payment by the Chargee at the address stated in Box 15 of the Charge/Mortgage of Land of the Principal Amount and all costs, expenses and other charges, and interest thereon at the Interest Rate, to which the Chargee is entitled in lawful money of Canada in accordance with the provisions of this Charge

4. ADVANCES

4.1 Neither the preparation, execution, delivery or registration of this Charge shall bind the Chargee to advance any portion of the principal amount secured by this Charge, nor shall the advance of a part of the principal amount secured by this Charge bind the Chargee to advance any non-advanced portion thereof.

4.2 The Chargor hereby authorizes and directs the Chargee to deduct any accrued interest, processing fees, costs permitted by the Lending Agreement, Taxes, public utility charges and legal costs, if any, from each and every advance made under this Charge.

4.3 In the event that any advance or portion thereof made under this Charge is to be used to finance any improvements on the Charged Property or the supply of any materials or labour thereto or otherwise in connection therewith, the Chargor shall advise the Chargee in writing of the said fact prior to the advance of funds and hereby authorizes and directs the Chargee to withhold the greater of ten percent (10%) of the amount so advanced or the cost to complete the Improvements to the Charged Property.

5. REPAYMENT

5.1 The Chargor covenants with the Chargee that the Chargor shall pay to the Chargee, at the Chargee's address stated in Box 15 of the Charge/Mortgage of Land, in lawful money of Canada, the Monthly Instalment consisting of the Principal Amount with interest thereon at the Interest Rate calculated half-yearly, not in advance, both before and after maturity, both before and after an Event of Default and both before and after judgment until paid, as follows:

(a) interest at the Interest Rate on the Principal Amount or such portion as may be advanced from time to time, calculated from the respective dates of such advances, shall become due and payable, and be paid by the Chargor to the Chargee starting on the First Payment Date and thereafter in accordance with this Charge; Provided that the Chargee may require the interest on any advances made prior to the Interest Adjustment Date under this Charge, calculated from the respective dates of such advances, to become due and payable in monthly instalments commencing on the date of the month next following the date of the month in which the advance is made and on the same date of each and every month thereafter or at the Interest Adjustment Date; and thereafter

(b) the Monthly Instalment consisting of the Principal Amount or such portion as may be advanced from time to time with interest thereon at the Interest Rate, calculated from and including the Interest Adjustment Date, shall become due and payable in an amount equal to the Monthly Instalment, together with any Pro-Rated Tax Payment, on each Payment Date in each and every month during the Term commencing on the First Payment Date and the balance, if any, of the Principal Amount and interest thereon and all other amounts secured by this Charge shall become due and be paid on the Maturity Date.

5.2 The aforesaid payments shall be applied first to expenses and disbursements reasonably incurred by the Chargee in connection with this Charge, secondly to interest calculated at the Interest Rate on the Principal Amount from time to time outstanding and the balance of the said payments shall be applied on account of principal; except, however, in the case of an Event of Default, the Chargee may apply any payments received during the period of such default in whatever order the Chargee may elect, in the Chargee's sole discretion, as between Taxes, interest, interest on late interest, repairs to the Charged Property, insurance premiums, legal costs, property management fees, appraisal costs or other advances made on behalf of the Chargor or as a result of the Event of Default.

5.3 Interest at the Interest Rate shall be payable on the Principal Amount, late interest and all costs, expenses and charges payable to the Chargee under this Charge.

5.4 Interest which is not paid when due shall, as to payment of interest thereon, be treated as principal and shall bear compound interest at the Interest Rate, both before and after maturity, both before and after an Event of Default and both before and after judgment until paid, to be computed with rests and paid on request commencing six months from the Interest Adjustment date and every six months thereafter in each and every year and all such interest shall be a charge on the Charged Property with the same priority as this Charge.

5.5 The Chargee shall be entitled to deduct any accrued interest on previous advances from any subsequent advance.

5.6 The Chargor shall pay in full the aforesaid amounts and any other amounts owing in connection with the terms of this charge without any deduction, abatement or set-off, whether equitable or otherwise and no other claim by the Chargor to damages, a deduction, abatement or set-off, whether equitable or otherwise, shall be a defence which would entitle the Chargor to avoid paying the amounts provided for herein as required by the terms of this charge.

6. CONTINUING OBLIGATION

6.1 The Chargor covenants and agrees that the Chargor shall continue to be liable for the repayment of all amounts secured by the Charge until all such amounts are repaid in full notwithstanding any:

(a) sale, transfer or assignment of the Charged Property or any beneficial interest in the Charged Property or the Chargor;

(b) renewal, extension, amendment or novation of the Charge on the Charged Property, even if the Chargor no longer owns the Charged Property or any part thereof,

7. RENEWALS AND EXTENSIONS

7.1 In the event that the Chargee agrees to renew or extend the Term of this Charge, such renewal or extension (and the interest rate, term and instalment stipulations of such renewal or extension) shall be binding on the Chargor, all subsequent encumbrancers and other persons with an interest in the Charged Property, regardless of when they acquire an interest in the Charged Property and any guarantors of the Chargor's liabilities to the Chargee under this Charge, and such renewal or extension shall take full priority over all such interests or claims, whether or not the renewal or extension, or notice thereof, is registered on title to the property, and whether or not the interest rate or payment amortization period applicable during the renewed or extended term is greater than or less than, or the same as the interest rate or amortization period applicable during the Term.

7.2 The Chargor covenants with the Chargee to, within thirty (30) Business Days after written request made therefore by the Chargee, deliver to the Chargee at the Chargor's expense, all postponements and other assurances as the Chargee may require to ensure that the Charge, as renewed or extended, has full priority over and is binding on the Chargor, all subsequent encumbrancers and other persons with an interest in the Charged Property and any guarantors of the Chargor's liabilities to the Chargee under this Charge.

7.3 Every renewal or extension shall be at the Chargor's expense including, without limitation, payment of the Chargee's legal expenses on a solicitor and a solicitor's own client basis.

7.4 No renewal or extension of this Charge, even if made by a successor or assign of the Chargor, shall release, abrogate or render any of the covenants, terms, conditions or provisos of this Charge, or the obligations and liabilities of the Chargor or any guarantor or surety, or any other security, unenforceable, void or a nullity, notwithstanding the renewal or extension.

8. PAYMENTS

8.1 The Chargor covenants with the Chargee that the Chargor shall open and maintain a bank account with a recognized financial institution in Canada and shall deliver to the Chargee, as and when required by the Chargee, in such form as the Chargee may reasonably require, a pre-authorized cheque form duly executed by the Chargor together with a voided cheque attached thereto to facilitate the processing of each Monthly Instalment.

8.2 Should the Chargee agree that payments can be made by way of a cheque drawn on a recognized financial institution in Canada, all shall be received by the Chargee at or before 1:00 p.m. Toronto, Ontario time on the date that such payment is due.

8.3 Any payment received by the Chargee after 1:00 p.m. Toronto, Ontario shall be treated as having been received by the Chargee on the next following regular Business Day in Toronto for purposes of calculating interest under this Charge. The receipt of payment shall be the date on which the payment is actually received by the Chargee.

8.4 In the event of a default by the Chargor under this Charge, the Chargee shall have the right to require any payments made during the period of default to made by certified cheque, bank draft or money order, and the Chargee shall not be required to accept non-certified cheques or any promise to pay whatsoever.

9. NO PREPAYMENT PRIVILEGE

9.1 The Chargor acknowledges and agrees that there shall be no prepayment privilege during the Term of this Charge.

9.2 The Chargor covenants and agrees that if this Charge is discharged or repaid before the end of the Term for any reason, the Chargee shall be entitled to be paid, as a condition of giving any discharge:

(a) Re-investment Loss Compensation equal to the re-investment loss suffered by the Chargee as a result of such discharge or repayment; or

(b) Three months interest on the balance of the Principal Amount then outstanding, calculated at the rate that interest is then payable under the Charge; or

(c) An interest differential adjustment in an amount which is calculated in accordance with the Chargee's then usual procedures and is based on the difference between:

    (i) the Chargee's then current rate for mortgages having a term equal to the remaining period during which the balance of the Principal Amount is payable in regular instalments, and

    (ii) the rate at which interest is then payable under the Charge.

10. PAYMENT OF OTHER CLAIMS

10.1 The Chargor covenants and agrees that the Chargor shall, at all times, keep every claim against the Charged Property, whether prior or subsequent in priority to the Charge, in good standing and make all payments required under any security given for such claim in accordance with the terms of that security.

11. TAXES

11.1 The Chargor covenants with the Chargee to pay all Taxes when they become due and payable, and in the event that Taxes are not so paid by the Chargor, the Chargee shall not be required to pay such Taxes as a pre-condition to exercising the Chargee's rights to enforce this Charge; provided that:

(a) the Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay any Taxes which may become due and payable as at the date of such advance;

(b) the Chargee may estimate the amount of the annual Taxes which will become due and payable and deduct from the final advance an amount which, when added to the Monthly Instalment to be paid by the Chargor prior to the due date for the payment of such Taxes, will enable the Chargee to pay the whole amount of such Taxes on or before the date for payment thereof, or if such Taxes are payable in instalments, on or before the date for payment of the first instalment thereof;

(c) after the final advance, the Chargee may estimate the amount of Taxes payable in each year and the Chargor shall pay to the Chargee one-twelfth of the estimated amount of Taxes next becoming due and payable on the date each month on which each Monthly Instalment is payable under this Charge, each payment being a Pro-Rated Tax Payment; and

(d) in any event, the Chargor shall pay to the Chargee an amount sufficient to enable the Chargee to pay all Taxes on or before the Tax Due Date, and the Chargor shall pay to the Chargee forthwith on demand the Debit Balance.

11.2 The Chargor agrees to deliver to the Chargee all tax bills and other notices which affect the imposition of Taxes within ten (10) Business Days after receipt thereof by the Chargor.

11.3 The Chargor acknowledges and agrees that the Chargee may charge interest at the rate of interest provided for by this Charge on the principal and any Debit Balance which remains after a payment of Taxes is made by the Chargee until such time as the Chargor pays the Debit Balance to the Chargee together with interest thereon.

11.4 The Chargee shall allow the Chargor interest at not less than the prevailing rate allowed by National Bank of Greece (Canada) on personal savings deposits with chequing privileges, as determined by the Chargee, on the minimum monthly balances standing in the mortgage account from time to time to the credit of the Chargor for payment of Taxes, such interest to be credited to the mortgage account at least once each calendar year; and the Chargor shall be charged interest at the lower of National Bank of Greece (Canada)'s Prime Rate plus two percent (2.00%) and the Interest Rate on any debit balance from time to time, if any, of Taxes in the mortgage account outstanding after payment of Taxes by the Chargee, until such debit balance is fully repaid.

11.5 The Chargor covenants and agrees with the Chargee that, in the event that the Chargee does not require the Chargor to remit prorated Taxes to the Chargee pursuant to the foregoing provisions, the Chargor shall pay all Taxes directly to the taxing authority for the jurisdiction in which the Charged Property is located when such Taxes are due and payable and provide written confirmation thereof to the Chargee within five (5) Business Days of such payment; provided that the Chargee retains the right to require the Chargor to make monthly instalments of such Taxes calculated as aforesaid to the Chargee in the event of default under this Charge.

11.6 The Chargor acknowledges and agrees that the Chargee shall apply any deductions or payments for Taxes to the credit of such Taxes so long as the Chargor is not in default under this Charge, but nothing in this Charge shall obligate the Chargee to apply such deductions or payments on account of Taxes more often than yearly; provided that if, before any such deductions or payments have been so applied, an event of Default occurs, or the Chargee may apply such deductions or payments towards the payment of such principal, interest or other amounts secured by this Charge in default; provided that the Chargee shall make all payments of tax instalments as they shall fall due and payable.

11.7 The Chargor acknowledges and agrees that the failure of the Chargor to pay any instalment of Taxes due to the Chargee or the taxing authority pursuant to the foregoing provisions shall constitute an Event of Default under this Charge and the date of such default shall be deemed to have occurred on the date that such instalment was due and the Chargee shall not be required to pay any Taxes to the taxing authority as a condition of the Chargee exercising its rights and remedies under this Charge and at law.

12. INSURANCE

12.1 The Chargor covenants and agrees, notwithstanding anything herein contained, that at all times during the Term of this Charge, the Chargor shall maintain the following insurance coverage on the Improvements and with respect to the Charged Property and the business conducted by the Chargor on and in the Charged Property in accordance with requirements of the Lending Agreement, including:

(a) "All Risk" coverage with "By-laws" coverage in an amount satisfactory to the Chargee and including the endorsements for conflict, encumbrance, fire department service charges, immediate repairs, loss of control, debris removal, permission to enter and repair, release and subrogation, re-instatement of loss and unearned premium, waiver of terms and conditions and joint loss agreement:

(b) comprehensive broad form boiler and machinery coverage on all electrical, mechanical and compression in an amount satisfactory to the Chargee;

(c) business interruption or rental loss coverage on an insurable gross rents basis sufficient to cover 100% of the gross annual rents of the Charged Property and, where the rents are on a fully net basis, on the equivalent gross rents for the same period; and

(d) comprehensive public liability coverage for claims for personal injury, death, property damage or loss in an amount of no less than $1,000,000, or such other amount as the Chargee may stipulate in writing from time to time, for each occurrence.

12.2 The Chargee covenants with the Chargor to pay all insurance premiums for all insurance coverage when such premiums are due and payable.

12.3 The Chargor covenants with the Chargee that all insurance policies shall:

(a) be endorsed to show the Chargee as a loss payee as the Chargee's interests may appear and such policies shall provide that any loss shall be payable to the Chargee as the Chargee's interest may appear;

(b) be with an insurer or insurers acceptable to the Chargee, acting reasonably, and each such policy shall be signed by the insurer or insurers, or agents or brokers authorized to sign on behalf of each insurer;

(c) be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to or less than the policy limit;

(d) grant permission of partial occupancy and stipulate that reconstruction shall not be limited to the same site;

(e) include a provision that the insurer shall give the Chargee a minimum thirty (30) days written notice of any material alteration to or cancellation of the policy and a minimum ten (10) days advice as to the renewal of the policy prior to the renewal;

(f) contain standard approved IBC "standard mortgagee" clauses in favour of the Chargee approved by the Chargee;

(g) include a joint loss agreement with separate Boiler and Machinery coverage; and

(h) contain By-laws coverage satisfactory to the Chargee.

12.4 Notwithstanding anything contained in the Lending Agreement or this Charge, the Chargor covenants and agrees with the Chargee to obtain and maintain such other form or forms of insurance coverage, including environmental liability coverage, as the Chargee may deem prudent, acting reasonably upon written request therefor made by the Chargee.

12.5 The Chargor covenants with the Chargee to, on written request made therefore, deliver to the Chargee, at the Chargor's expense, a certificate, opinion or other satisfactory report prepared by a competent appraiser or independent insurance consultant selected by the Chargee as to the sufficiency or otherwise of any insurance coverage, and as to the type and amount thereof.

12.6 The Chargor agrees that any deviation from the requirements set forth in the Lending Agreement for insurance coverage must be approved by the Chargee in writing, such approval not being unreasonably withheld.

12.7 The Chargor covenants that the Chargor shall, forthwith on the written request of the Chargee, provide the Chargee with a certified copy of every insurance policy aforesaid, and on request, copies of any and all receipts of payment of insurance premiums therefor and the Chargor acknowledges and agrees that the Chargee shall have a lien on the proceeds of all the aforesaid insurance policies for all the amounts secured by this Charge.

12.8 The Chargor acknowledges and agrees that in the event that the Chargor fails or neglects to maintain the insurance required by the Lending Agreement and this Charge, or to deliver such policies or receipts as aforesaid, the Chargee shall be entitled to, but will not be obliged, to obtain such insurance coverage and pay any premiums therefor and charge the same to the Chargor with interest thereon at the Interest Rate and any such premiums and interest shall be a charge or lien on the Charged Property ranking in priority to every other lien, charge, claim or encumbrance thereon ranking subsequent to this Charge.

12.9 The Chargor covenants that, forthwith on the happening of any loss or damage, the Chargor shall furnish to the Chargee, at the Chargor's expense, all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance proceeds.

12.10 Any insurance proceeds received may, at the Chargee's option, be applied to rebuilding, reinstating or repairing the Charged Property or to be paid to the Chargor or any other person appearing by the registered title to be the owner of the Charged Property or be applied or partly paid in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on account of the amounts secured by this Charge, whether due or not then due.

12.11 The Chargor acknowledges and agrees that in the event that the Chargee takes out insurance coverage in respect of the Charged Property for the risks specified in section 12.1 of this Charge, or any other risks that the Chargee obtains coverage for, in the Chargee's sole discretion, the Chargee shall not be bound to insure the interest of any other person whatsoever, or to pay any insurance premium on any insurance policy, or be responsible for any loss arising out of any defect in any insurance policy or failure of any insurer to pay for any loss thereunder.

13. FURTHER ASSURANCES

13.1 The Chargor shall execute such further assurances of the Charged Property and execute and deliver such collateral security and do such further acts as the Chargee may require to further perfect and secure this Charge and, in the event of default, the Chargor shall execute and deliver such further assurances and do such further acts, at the Chargor's expense, as may be required by the Chargee.

14. FINANCIAL STATEMENTS

14.1 The Chargor covenants with the Charged that the Chargor shall provide to the Chargee, within three months of the end of each fiscal year of the Chargor, full financial statements relating to the Chargor and the Charged Property, including statements of income and expense, source of funds, a balance sheet and all supporting notes and schedules, such financial statements to be prepared by qualified accountants in a manner acceptable to the Chargee and in accordance with generally accepted accounting principles and certified by authorized officers of the Chargor.

15. CHARGEE'S RIGHT TO MAKE PAYMENTS

15.1 The Chargor acknowledges and agrees that the Chargee may pay all insurance premiums, Taxes, public and other utility charges, heating costs, collection costs and other expenses which may from time to time fall due and be unpaid in respect of the Charged Property.

15.2 Any such payments, together with all costs, charges and expenses which the Chargee incurs in taking, recovering and keeping possession of the Charged Property and of negotiating the loan secured by this Charge, investigating title and conducting all related searches and inquiries, registering this Charge and all related registrations, and generally in any other proceedings taken in connection with or to realize or collect this security, shall be, with interest thereon at the Interest Rate, a charge on the Charged Property in favour of the Chargee.

15.3 The Chargor acknowledges and agrees that the Chargee may, but shall not be obliged to do so, pay or satisfy any lien, charge or encumbrance now existing or hereafter coming into existence against the Charged Property.

15.4 The Chargor acknowledges that all costs, charges, legal fees (as between a solicitor and client on a full indemnity basis) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, registering the Charge, and other necessary deeds and generally in any other proceeding taken in connection with or to realize upon the security given in the Charge (including legal fees, real estate commissions and other costs incurred in leasing, managing or selling the land or in the exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge and, on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

15.4 Any of the above amounts paid by the Chargee shall be added to the debt secured by this Charge and shall be payable forthwith with interest thereon at the Interest Rate, and in default, the entire Principal Amount interest and other amounts secured by this Charge shall, at the option of the Chargee, immediately become due and payable and all powers by this Charge conferred shall become exercisable.

16. OBLIGATION TO REPAIR AND RIGHT TO INSPECT

16.1 The Chargor covenants and agrees to keep the Charged Property in good condition and repair according to the nature and description thereof respectively, and the Chargee and the Chargee's agents may, whenever the Chargee reasonably deems it necessary, enter on and in the Charged Property for the purpose of inspecting same and make all necessary repairs, including major repairs; provided that the Chargee shall first advise the Chargor in writing of such repairs to be undertaken ten (10) Business Days prior to such entry to repair.

16.2 The costs of such repairs and inspections shall be added to the debt secured by this Charge and shall be a charge and lien on the Charged Property in priority to all other claims against the Charged Property subsequent to this Charge, and shall be payable forthwith, and shall bear interest at the Interest Rate until paid.

16.3 If the Chargor neglects to keep the Charged Property substantially in good condition and repair as aforesaid, or commits any act of waste, the determination of which the Chargee shall be the sole judge, acting reasonably, or allows any improvements on the Charged Property to remain unfinished or without any work being done thereon for thirty (30) days, all amounts secured by this Charge shall, at the option of the Chargee, immediately become due and payable and all powers conferred by this Charge shall become exercisable.

17. OBLIGATION TO COMPLY WITH LAWS

17.1 The Chargor covenants and agrees to comply with all laws, regulations and by-laws which apply to the ownership, maintenance, repair, use and occupation of the Charged Property.

17.2 The Chargor covenants and agrees that the Chargor shall not commit, cause to be committed or permit the commission of any activity on, in or under, or the use or occupation of the Charged Property which violates the Criminal Code of Canada, and where such activity, use or occupation is caused by persons or corporations other than the Chargor, the Chargor will take all reasonable legal steps, proceedings and actions for the purpose of halting the criminal activity.

18. QUIET POSSESSION

18.1 Until the occurrence of an Event of Default under this Charge, the Chargor shall have quiet possession of the Charged Property.

18.2 On the occurrence of an Event of Default under this Charge, the Chargee may forthwith enter on and in the Charged Property and take possession thereof, and have quiet possession thereof until such time that every default has been cured to the satisfaction of the Chargee.

19. RIGHT TO ACCELERATE PAYMENT

19.1 On the occurrence of any Event of Default under this Charge, all amounts secured by this Charge may, at the option of the Chargee, immediately become due and payable together with all interest and other amounts secured by this Charge with interest thereon.

19.2 In the event that the Charged Property or a substantial part thereof is expropriated by any government, government agency or government regulated entity, the Chargee shall, at its sole option, have the right to accelerate payment of the amounts secured by this Charge and all such amounts secured by this Charge shall immediately become due and payable together with all interest and other amounts secured by this Charge with interest at the Interest Rate thereon until payment is made.

20. RIGHT TO DISTRAIN

20.1 The Chargor covenants and agrees that the Chargee may distrain for arrears of principal, interest and other amounts secured by this Charge, and all costs and expenses related thereto.

21. RIGHT TO INSPECT

21.1 The Chargor agrees that the Chargee shall have the right to inspect the Charged Property from time to time by arrangement with the Chargor, and the Chargor's tenant if such is the case, or on two (2) Business Days written notice to the Chargor.

22. CONDOMINIUM

22.1 If the Charged Property is not subject to the provisions of the Condominium Act, the Chargor shall not register or cause any registration to be made, the effect of which would be to make the Charged Property or any part of the Charged Property subject to the Condominium Act.

22.2 If the Charged Property is subject to the provisions of the Condominium Act, then the Chargor shall:

(a) comply with all provisions of the Condominium Act and its regulations;

(b) comply with all of the provisions of the condominium corporation's declaration, by-laws, regulations and rules; and

(c) pay all common expenses, special assessments, contributions to the capital reserve fund, or any other charges levied by the condominium corporation which are not in dispute.

22.3 The Chargor hereby assigns all rights to vote and to consent or not consent that the Chargor has pursuant to the Condominium Act and the Chargor authorizes the Chargee to exercise the rights of the Chargor to vote or to consent or not consent for and in respect of all matters provided for or contemplated by the Condominium Act; provided that the Chargee shall not be required to vote or give or withhold consent and, provided that the Chargee will only exercise such voting rights when this Charge is in default.

22.4 Notwithstanding the foregoing provision, the Chargor covenants with the Chargee that the Chargor shall vote in such manner as the Chargee directs from time to time with respect to every vote that the Chargor is entitled to cast in connection with the affairs of the condominium corporation.

22.5 The Chargor shall deliver to the Chargee written notice of every meeting of the owners at least ten (10) Business Days prior to such meeting, such notice to specify the information required by the Condominium Act with respect to the giving of such notices.

22.6 The Chargor shall deliver to the Chargee copies of any or all of the condominium corporation's current declaration, by-laws, regulations and rules and copies of all notices, minutes, resolutions, accounts, insurance policies, warranties, plans, lists of assets of the condominium corporation, all agreements relating to the management, operation, maintenance and repair of the Charged Property, all financial records of the condominium corporation relating to the operation of the of the condominium corporation or the Charged Property, budgets and other documents relating to the financial statements and to the affairs of the condominium corporation as the Chargor may receive from time to time, within ten (10) Business Day's of the date that written notice is given to the Chargor requesting same.

22.7 In the event that the Chargee is required to give a partial discharge or discharges of this Charge pursuant to the provisions of the Condominium Act, the Chargor covenants with the Chargee that the Chargor shall pay to the Chargee on written demand there for an amount equal to the Re-investment Loss, the total amount thereby calculated being a genuine pre-estimate of the damages that the Chargee will suffer as a result of the early partial repayment of the amounts secured by this Charge; provided that the Chargee shall have the sole right to calculate the Re-investment Loss and that the Chargee shall not be obliged to deliver any discharge or other documents whatsoever until the Re-investment Loss has been paid to the Chargee in full without set-off, deduction or counterclaim whatsoever.

23. ENVIRONMENTAL WARRANTIES, REPRESENTATIONS, COVENANTS AND INDEMNITIES

23.1 The Chargor warrants and represents to the Chargee that:

(a) the Chargor has never caused or permitted any Contaminant to be brought or stored on, in or under, or removed from the Charged Property without government consent;

(b) the Chargor has never caused or permitted a Discharge of a Contaminant into the natural environment as defined in the Environmental Protection Act (Ontario), as amended from time to time, without government consent;

(c) the Chargor is operating the Chargor's business and/or every Tenant is operating the Tenant's business in compliance with all environmental Government Legislation; and

(d) to the best of the Chargor's knowledge and believe, having made reasonable inquiry therefore, there are no notices, orders, proceedings, actions, claims or suits, pending or threatened against the Chargor or the Charged Property with respect to any environmental matter.

23.2 The Chargor covenants with the Chargee that:

(a) the Chargor will continue to operate the Chargor's business and/or require every Tenant to operate the Tenant's business in compliance with all Government Legislation pertaining to the environment;

(b) the Chargor will not permit the Charged Property to be used or operated in violation of any Government Legislation;

(c) the Chargor will not permit the bringing, storage, processing or disposal of any Contaminant on, in or under the Charged Property without the express prior written permission of the Chargee;

(d) the Chargor will, within five (5) Business Days of the receipt thereof, deliver a copy of every notice, order, proceeding, action, claim or suit, pending or threatened against the Chargor or the Charged Property in respect of any environmental matter; and

(e) the Chargor will, within five (5) Business Days of knowledge coming to the attention of any director, officer, employee or agent of the Chargor of the presence of any Contaminant on, in or under the Charged Property or any lands in the vicinity of the Charged Property, so advise the Chargee in writing, providing complete details thereof.

23.3 The Chargor hereby indemnifies the Chargee and the Chargee's shareholders, directors, officers, employees and agents and agrees to hold each and every one of them harmless from all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever, including, without liability:

(a) the costs of defending and/or counterclaiming or cross-claiming against third parties in respect of any action, suit or proceeding;

(b) any costs, liabilities or damages arising out of any settlement of any action, suit or proceeding entered into by the Chargee with or without the Chargor's consent; and

(c) the costs, penalties or other losses, liabilities or damages suffered by the Chargee as a result of any prosecution or other action, suit or proceeding under any Governmental Legislation,

which at any time, or from time to time, may be paid, incurred or asserted against any of the Chargee and the Chargee's shareholders, directors, officers, employees and agents with respect to any alleged or proven breach or violation of any environmental Government Legislation, nuisance or negligence by the Chargor, the Chargor's shareholders, directors, officers, employees and agents, or the Chargor's Tenants.

24. CHARGEE'S RIGHT TO INSPECT AND TEST

24.1 The Chargor acknowledges, agrees and confirms that the Chargee and the Chargee's agents and representatives may, from time to time and at any time, both before and after default and before and after any advance under this Charge, and for any purpose deemed necessary by the Chargee or the Chargee's agents or representatives, enter on, in and under the Property for the purpose of inspecting the Property or any portion of the Charged Property.

24.2 Without in any way limiting the generality of the foregoing, the Chargee or the Chargee's agents or representatives may enter enter on, in and under the Charged Property for the purpose of conducting any environmental testing, site assessment, investigation, or study deemed necessary by the Chargee, or the Chargee's agents or representatives, and the reasonable costs and expenses of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the Chargor forthwith and shall be a charge on the Charged Property.

24.3 The Chargor acknowledges, agrees and confirms that the Chargee may exercise any of the right to inspect set forth in this Charge without the Chargee or the Chargee's agents and representatives being deemed to be in any way in management or control of the Charged Property or the Chargee being deemed a mortgagee in possession of the Charged Property.

25. DEALINGS WITH TENANTS

25.1 The Chargor covenants with the Chargee:

(a) to negotiate with Tenants of the Charged Property with respect to, or renew, extend, modify or amend any Lease in good faith, acting as a prudent landlord; and

(b) not to permit the termination or surrender of any Lease of the Charged Property which has been assigned to the Chargee as collateral security, or permit any reduction in the term or rent of any such Lease without the prior written consent of the Chargee.

26. EVENTS OF DEFAULT

26.1 The Chargor covenants and agrees that notwithstanding any other provision in this Charge, the Chargee may deem this Charge to be in default in the event that the Chargor:

(a) fails to make a payment of a Monthly Instalment and/or a Pro-Rated Tax Payment or any other payment as required herein, on a Payment Date in accordance with the payment provisions of this Charge; or

(b) permits any other amount which is secured by this Charge, or any Taxes, public utilities accounts or insurance premiums which are due and payable under this Charge, or otherwise due and payable by the Chargor and not in dispute, to remain unpaid after the Chargee has made written demand for payment thereof; or

(c) fails to insure the Charged Property in accordance with the Lending Agreement and this Charge; or

(d) fails to observe or perform any covenant or agreement contained in this Charge; or

(e) makes any warranty or representation to the Chargee which is not in any material respect true; or

(f) permits any lien, encumbrance or other claim capable of ranking in priority to this Charge to be recorded or registered against the Charged Property which is not removed or satisfied in full within thirty (30) days of such recording or registration; or

(g) causes or permits any order to be made or any resolution to be passed or adopted, or any petition is filed for the winding-up of the Chargor; or

(h) becomes insolvent, commits an act of bankruptcy, or if a petition in bankruptcy is filed against the Chargor which is not being disputed in good faith by the Chargor, or a proposal made by the Chargor under the Bankruptcy and Insolvency Act is rejected by creditors; or

(i) causes or permits a "stay order" to be issued pursuant to the Companies Creditors Arrangement Act which prohibits the Chargee from enforcing this Charge; or

(j) is the subject of any execution, sequestration or any other judicial process, or any distress or similar process is levied on the Charged Property or against the Chargee which is not, in good faith, being disputed by the Chargor;

(k) fails or refuses to comply with any term, condition or proviso of the Lending Agreement or any other security required pursuant to the Lending Agreement; or

(l) has made any material misrepresentation to the Chargee in the environmental questionnaire contained in the Lending Agreement or if there is any hazardous material, as defined therein, which, in the opinion of the Chargee, materially reduces the market value of the Charged Property,

(m) commits or permits the commission of an event of default under any other charge, mortgage or collateral security given or granted by it to the Chargor pursuant to the terms and conditions of the Lending Agreement,

(n) sells, transfers or assigns title to the Charged Property or any beneficial interest in the Charged Property, the result of which there is a change in control of the Chargor, without the prior written consent of the Chargee; or

(o) sell, transfers or assigns any shares of the Chargor, the result of which there is a change in control of the Chargor, without the prior written consent of the Chargee; or

(p) permits the termination or surrender of any Lease of the Charged Property which has been assigned to the Chargee as collateral security, or permits any reduction in the term or rent of any such Lease without the prior written consent of the Chargee; or

(q) fails to negotiate with respect to, or renew, extend, modify or amend any Lease in good faith, acting as a prudent landlord; or

(r) permits or causes waste to the Charged Property or otherwise causes or permits, by any act or omission, the value of the Charged Property to decline;

(s) abandons the Charged Property, either physically or constructively, or otherwise leaves the Charged Property vacant for more than ten (10) days;

(t) if the Building, at any time during the time hereof, fails to comply with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations (save and except for any such non-compliance which is, in good faith, contested by the Chargor with the Municipality or other body having jurisdiction until the final disposition thereof against the Chargor);

(u) fails to comply with all applicable laws, regulations and by-laws which apply to the ownership, maintenance, repair, use and occupation of the Charged Property; or

(v) commits or permits the commission of criminal activities on, in or under the Charged Property.

26.2 Every such event shall be an "Event of Default" entitling the Chargee to exercise its rights and remedies under this Charge and at law.

26.3 The Chargee may waive any Event of Default in writing at any time after the occurrence of such Event of Default; provided that any such waiver shall apply only to the particular Event of Default and shall not operate as a general waiver or a waiver of any other or future default.

27. POWER OF SALE AND LEASE

27.1 The Chargor covenants and agrees that on the occurrence of an Event of Default hereunder and the continuance of such default for at least 15 days, the Chargee may, on at least 35 days notice given pursuant to this Charge and Part III of the Mortgages Act or any replacement thereof, enter on and in the Charged Property and rent, lease and sell the Charged Property.

27.2 Such notice shall be given to such persons and in such manner and with such time as required and provided for by Part III of the Mortgages Act or any replacement thereof.

27.3 The whole or any part of the Charged Property may be sold by public auction or private contract, or partly one and partly the other; and the proceeds of any sale hereunder may be applied in payment of any reasonable costs, charges and expenses incurred by the Chargee in recovering or taking possession of the Charged Property, or by reason of non-payment or procuring payment of amounts secured by this Charge.

27.4 The Chargee may sell any of the Charged Property on such terms as to credit and otherwise as may appear to the Chargee most advantageous and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such amounts as have actually been received from the purchaser after the payment of all claims of the Chargee.

27.5 In exercising the power of sale herein, the Chargee may execute all documents which may reasonably be required to complete the power of sale.

27.6 The Chargee shall have the specific authority to lease or licence the use of the Charged Property as the it may deem advisable and expedient in the same manner and on the same terms and conditions as the and in so doing, the Chargee shall act as the agent or attorney of the Chargor with the authority of the Chargor, and the Chargor hereby undertakes to indemnify the Chargee and confirm the Chargee's acts and decisions in this regard;

27.7 Any proceeds of sale or lease received hereunder may be applied, at the discretion of the Chargee, first in payment of any costs, charges and expenses incurred in directly or indirectly in connection with the exercise of the Chargee's rights under this Charge or the Chargor's default hereunder and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain thereafter, such surplus shall be paid as may be required by law.

28. APPOINTMENT OF RECEIVER AND MANAGER

28.1 The Chargor acknowledges and agrees that notwithstanding anything contained in this Charge, on the occurrence of an Event of Default under this Charge and so long as there is a default under the Charge, the Chargee may, from time to time, in writing, appoint a Receiver of all or part of the Charged Property and of the income thereof until such time as the Event of Default is cured, with or without security, and may from time to time, by similar writing, remove such Receiver and appoint another in that Receiver's place.

28.2 In making such appointment or appointments, or in removing any Receiver so appointed, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor.

28.3 Upon the appointment of a Receiver hereunder, the following provisions shall apply:

(a) a written declaration of an officer of the Chargee as to the occurrence and continuance of an Event of Default under this Charge shall be conclusive evidence thereof;

(b) every Receiver shall be the irrevocable agent of the Chargor for the collection of all rents and profits of the Charged Property falling due during the receivership and any arrears thereof in respect of any Leases or Licenses created in priority to this Charge or subsequent thereto;

(c) every Receiver, in the discretion of the Chargee exercised in writing under the Chargee's corporate seal, shall be vested with all or any of the powers and discretion of the Chargee;

(d) the Chargee, acting reasonably may, from time to time in writing, fix the Receiver's reasonable remuneration and the Receiver shall be entitled to deduct the same from the proceeds of the operation or disposition of the Charged Property;

(e) every Receiver shall, in so far as the responsibility for any act or omission of the Receiver is concerned, be deemed the agent or attorney of the Chargor and in no event the agent or attorney of the Chargee or the Chargee's agents;

(f) the appointment of a Receiver hereunder by the Chargee shall not create any liability on the part of the Chargee to the Receiver in respect of the appointment or as a result of any act or omission of the Receiver;

(g) the removal of a Receiver or the termination of any receivership created hereunder shall not constitute the Chargee a chargee-in-possession of the Charged Property;

(h) the Receiver shall have the authority to lease or licence the use of, or sell the Charged Property as the Receiver may deem advisable and expedient in the same manner and on the same terms and conditions as the Chargee is permitted by this Charge, and in so doing, the Receiver shall act as the agent or attorney of the Chargor with the authority of the Chargor, and the Chargor hereby undertakes to indemnify the Receiver and confirm the Receiver's acts and decisions in this regard;

(i) the Receiver shall, acting reasonably have full authority to complete any unfinished construction on the Charged Property to the extent that, when completed, the structures and buildings shall be as represented to the Chargee by the Chargor for the purposes of inducing the Chargee to enter into the Lending Agreement;

(j) the Receiver shall, acting reasonably, have full authority to manage, operate, repair and maintain the Charged Property during the receivership; and

(k) the Receiver shall not be liable to the Chargor for monies or damages other than amounts received by the Receiver in respect of the Charged Property.

28.4 Out of the proceeds realized by the Receiver as a result of the management and operation of the Charged Property, the Receiver shall pay in the following order:

(a) the Receiver's reasonable remuneration;

(b) the expenses and costs incurred by the Receiver in connection with the ongoing management, operation, repair and maintenance of the Charged Property;

(c) payments due to prior encumbrancers and for all Taxes, insurance premiums and other proper expenditures made or incurred by the Receiver in respect of the Charged Property;

(d) payment of amounts due to the Chargee under this Charge;

(e) payment of the remainder of any such proceeds to others who have claims against the Charged Property and/or the Chargor and the Chargor to the extent that such claims have been proved and are not in dispute, or otherwise into court.

29. SALE OF THE PROPERTY

29.1 The Chargor acknowledges and agrees that any change in the legal or beneficial ownership of the Charged Property or any transfer or sale of the shares of or reconstitution of the Chargor which results in a change in control of the Chargor shall be subject to the Chargee's prior written consent.

29.2 The Chargor further acknowledges and agrees that in the event of any such change of ownership or control and the new owner or owners or persons in control are not acceptable to this Chargee, or the Chargee's prior written consent is not sought by the Chargor with respect thereto, the Chargee may, at the Chargee's option, deem this Charge to be in default and all amounts secured by this Charge shall become due and payable forthwith.

29.3 In making any request for the Chargee's consent to the proposed change of ownership or control, the Chargor shall give the Chargee:

(a) the full name and address of every person who will acquire ownership or control of the Charged Property or the Chargor;

(b) where the person or persons are natural individuals, the birth date of every such individual;

(c) a copy of the most recent audited financial statements of every such person thereof;

(d) where the person is a partnership or a corporation, the full name and address of every partner or director and officer, as the case may be; and

(e) such other information as the Chargee may request.

29.4 The Chargee agrees that all information given to the Chargee in connection with the forgoing shall remain confidential except that the Chargor agrees that the Chargee shall have the right to make such inquiries of every such person as may be required by the Chargee to assist the Chargee is determining whether or not consent should be given.

30. DISCHARGES AND PARTIAL RELEASES

30.1 The Chargor shall not be entitled to receive any discharge or partial discharge of this Charge until all Principal, interest, late or compound interest and all other amounts secured by this Charge whatsoever, including Re-investment Loss Compensation, have been paid to the Chargee in full. The discharge of the Charge shall be prepared by the Chargee and all other legal and other expenses for the preparation and execution of such discharge shall be borne by the Chargor.

30.2 Interest on all amounts secured by this Charge shall continue to run and accrue until actual payment of the amount required to discharge this Charge has been received by the Chargee.

30.3 The Chargee shall have a reasonable time after the payment in full of all amounts secured by this Charge within which to deliver such discharges, cessations, releases and reassignments as may be reasonably required by the Chargor.

30.4 The Chargee may at all times release any part or parts of the Charged Property or any other security, or any covenantor, or any surety for the amounts secured by this Charge, either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part

of the Charged Property or any person from this Charge, or renewals from any of the covenants implied by the Land Registration Reform Act, 1984 or contained in this Charge without being accountable to the Chargor for the value thereof, or for any amounts except those actually received by the Chargee.

31. ADMINISTRATION CHARGES

31.1 The Chargor agrees that the Chargee shall have the right to charge and add to the debt secured by this Charge a reasonable amount for:

(a) the preparation of mortgage statements requested by or on behalf of the Chargor;

(b) the preparation of any discharge or partial discharge of this Charge or any releases, reconveyances, discharges and assignments related thereto and such further assurances which the Chargor may reasonably require;

(c) handling dishonoured cheques;

(d) inspecting the Charged Property after an Event of Default which has not been cured; or

(e) the processing of any renewal, extension or amendment of this Charge or the collateral security required by the Chargor, or any recasting or re-documentation of the loan which is the subject of this Charge.

32. CHARGEE MAY RETAIN EXPERTS

32.1 The Chargor acknowledges and agrees that the Chargee may retain, at the Chargee's option and in the Chargee's sole discretion, the services of legal counsel, property managers, appraisers, evaluators, realtors, consultants, environmental engineers and consultants and other experts in connection with the loan including every service required by the Chargee to satisfy the Chargee that the first and any other advance should be made to the Chargor; to preserve, perfect and maintain the Chargee's security during the Term; to determine the environmental condition and state of the Charged Property and to take possession of, maintain, repair, preserve, lease and sell the Charged Property and generally to protect the Chargee's security in the Charged Property.

32.2 The Chargor further acknowledges and agrees with the Chargee that all expenses reasonably incurred in retaining such services shall be at the sole expense of the Chargor. Legal costs shall be recoverable from the Chargor on a solicitor and his own client basis.

32.3 The intent of the foregoing provisions is that the Chargee shall not be out-of-pocket as a result of making the said loan to the Chargor or protecting the Chargee's security therefore.

33. NOTICES

33.1 Any notice required by or given under or in connection with this Charge may be effectively given if it is in writing and addressed to the party to whom the notice is being given at the address set forth in the Charge/Mortgage of Land, or transmitted by telecopier to a telephone number maintained by the receiving party for such communications.

33.2 Such notice shall be deemed to have been received by the party to whom it is given:

(a) if given by Canada Post, on the third Business Day after the date that the envelope containing the notice is post marked by Canada Post;

(b) if given by priority post or private courier, on the second Business Day after the envelope containing the notice is delivered to Canada Post or the private courier for delivery; and

(c) if given by a fax machine, on the same Business Day that the notice is transmitted if transmitted before 3:00 pm that day, otherwise on the next Business Day when the receiving party is open for business.

33.3 The Chargor acknowledges and agrees that the Chargee shall be entitled to give any notice provided for by these Standard Charge Terms, the Lending Agreement, the Mortgages Act, the Bankruptcy Act, the Farm Debt Review Act and any other Governmental Legislation, to the Chargor addressed to the address set forth in Box (13) of the Charge/Mortgage of Land and that any such notice shall be deemed to have been given in accordance with the provisions of these Standard Charge Terms and the said Governmental Legislation unless and until the Chargor gives written notice to the Chargee pursuant to this section of a new, alternate or other address for service on the Chargor.

34. FAMILY LAW ACT

34.1 Where the Chargor is a natural person, immediately after any change or happening affecting any of the following, namely:

(a) the spousal status of the Chargor; or

(b) the qualification of the Charged Property as a matrimonial home within the meaning of Part II of the Family Law Act or successor legislation,

the Chargor shall advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners from time to time of the Charged Property and of any spouse who is not an owner but who has a right of possession in the Charged Property pursuant to the said act.

35. FARM DEBT REVIEW ACT

35.1 The Chargor warrants and represents to the Chargee that the Chargor is not a "farmer", is not "farming" the Charged Property and that the Charged Property is not "property of a farmer" within the meaning of the Farm Debt Review Act (Canada).

35.2 The Chargor covenants and agrees that if the Chargor becomes a "farmer", commences "farming" the Charged Property or the Charged Property" becomes "property of a farmer" within the meaning of the said Act, the Chargor shall forthwith give written notice thereof to the Chargee pursuant to these Standard Charge Terms.

35.3 The Chargor hereby waives the right to any and all notices under the Farm Debt Review Act (Canada), including, but not limited to the notice requirements set forth in section 22 of that Act.

36. BANKRUPTCY AND INSOLVENCY ACT

36.1 The Chargor warrants and represents to the Chargee that, at the time that this Charge is granted to the Chargee, the Chargor is not an insolvent person within the meaning of the Bankruptcy and Insolvency Act.

36.2 The Chargor covenants and agrees that the Chargor shall, forthwith on the Chargor becoming an insolvent person within the meaning of the Bankruptcy and Insolvency Act, advise the Chargee in writing that the Chargor is an insolvent person within the meaning of the Bankruptcy and Insolvency Act.

36.3 The Chargor acknowledges and agrees that until the Chargee receives such advice in accordance with the notice provisions of this Charge, the Chargee shall have the right to treat the Chargor as not being an insolvent person within the meaning of the Bankruptcy and Insolvency Act.

36.4 The Chargor hereby waives the right to any and all notices under the Bankruptcy and Insolvency Act, including, but not limited to the notice requirements set forth in section 244(1) of that Act.

37. NON-MERGER OF COVENANTS

37.1 The Chargor acknowledges and agrees that the taking of judgement or judgments on any of the covenants in this Charge or implied by law shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and at the times provided for in this Charge; and further, that any judgment shall provide that interest thereon shall be calculated at the same rate and in the same manner as provided for in this Charge until the judgment is fully paid and satisfied.

38. NON-MERGER OF THE LENDING AGREEMENT

38.1 The Chargor acknowledges and agrees that the execution and delivery of this Charge, any collateral security and further assurances in support of this Charge shall in no way merge or extinguish the terms and provisions of the Lending Agreement comprising the commitment offer of the Chargee signed by

the Chargor and any amendments thereto shall continue in full force and effect; provided that in case of any inconsistency or conflict between any provision of the Lending Agreement and any provision of this Charge, the provisions of this Charge shall prevail.

39. SEVERABILITY AND WAIVER

39.1 In the event that any provision of this Charge is found by a court or other competent authority for any reason to be illegal, invalid or otherwise unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision of this Charge and this Charge shall nevertheless be interpreted and construed as if such illegal, invalid or otherwise unenforceable provision had never been contained in this Charge.

39.2 No extension of time give by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor or obligation on the part of the Chargee in that regard.

40. BINDING ON SUCCESSORS

40.1 The successors and assigns of the parties shall be bound by and have the benefit of the provisions of this Charge.

41. GOVERNING LAW

41.1 This Charge shall be governed by and interpreted in accordance with the laws of the Province Ontario and of Canada as may be applicable.

42. HEADINGS

42.1 The Chargor acknowledges and agrees that all headings in this Charge are for reference only and are not intended to assist in the interpretation of any of the provisions in this Charge.

43. ELECTRONIC CHARGE

The delivery of an Electronic Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the Electronic Charge was in written form, signed by the parties thereto and delivered to the Chargee

44. GUARANTEE

44.1 Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:

(a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS ($2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.

(b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no bankruptcy of the Chargor; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.

(c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event by taken to affect the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

(d) **All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.**

The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

ACKNOWLEDGMENT

This set of Standard Charge Terms is included in a Charge dated the day of 20___, made by

as Chargor(s)

To

as Chargee(s)

as Guarantor(s)

and each Chargor and Guarantor hereby acknowledges receipt of a copy of this Set of Standard Charge Terms before signing the Charge.

Guarantor(s)	Chargor(s)

DATED the 16th day of July, 2002

SOTOS ASSOCIATES
Per:
Solicitors for the
National Bank of Greece (Canada)

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200219 Cote

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200220 Cote
Filing Date July 24, 2002 Date de Dépôt
Page 1 of/de Fifteen (15) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

CIBC
MORTGAGES

Land Registration Reform Act
Set of Standard Charge Terms

Filed by: CIBC Mortgages Inc.
Filing Number: 200220

Filing Date: July 24, 2002

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in the schedule if any.

1. Definitions

In this set of standard charge terms:

Act means the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, (as amended or replaced);

borrower, you and your mean each person who signs the mortgage as chargor(s);

CIBC means Canadian Imperial Bank of Commerce;

CIBC Prime Rate means the annual rate of interest announced from time to time by CIBC as a reference rate for determining interest rates on Canadian Dollar loans in Canada;

CMHC means Canada Mortgage and Housing Corporation;

GEMI means GE Capital Mortgage Insurance Company (Canada);

interest adjustment date means the date specified in the registered document;

lender, we, our and us mean CIBC Mortgages Inc., as chargee;

loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;

mortgage or charge, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;

paragraph refers to a numbered paragraph in this set of standard charge terms;

principal amount means the amount set out in the registration document;

registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;

schedule means any schedule attached to the Charge/Mortgage of Land; and

your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, " your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. Exclusion of Statutory Covenants

The covenants set out in section 7(1) of the Act are excluded from the mortgage.

3. Our Loan to You

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

a) if you are the owner of your property, you charge your entire interest in your property to us; or

b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. Fixed Interest Rate (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. Variable Interest Rates (Applicable only to Variable Rate Mortgages)

a) Interest Rate

The interest rate payable by you is specified in the registered document and is a variable rate per annum equal to:

i) in the case of Variable Rate Mortgages excluding the Better Than Prime Variable Rate Mortgage, CIBC Prime Rate, as the same will vary from time to time, plus or minus the number of percentage points per annum, if any, indicated in the registered document; and

ii) in the case of the Better Than Prime Variable Rate Mortgage, the Better Than Prime mortgage rate of CIBC Mortgages Inc., as declared from time to time (the "Better Than Prime mortgage rate").

The interest rates in paragraphs 5(a) (i) and (ii) above will vary automatically each time there is a change in the CIBC Prime Rate or the Better Than Prime mortgage rate, as the case may be, without any notice to you. At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated monthly not in advance and is payable on the loan amount both before and after the balance due date default and judgment, until the loan amount has been paid in full.

Paragraph 48 shows equivalent interest rates calculated semi-annually not in advance for current mortgage rates calculated monthly not in advance and Paragraph 49 shows how to calculate how much of each monthly payment is interest and how much, if any, is principal.

b) **How You May Determine the Interest Rate**

The CIBC Prime Rate or the Better Than Prime mortgage rate, as applicable, and the current mortgage rate payable on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the CIBC Prime Rate or the Better Than Prime mortgage rate, as applicable, we may mail to you, at your last known address according to our records, a notice of the changed CIBC Prime Rate or the Better Than Prime mortgage rate, as applicable, its effective date, the current mortgage rate and its equivalent calculated semi-annually not in advance. The interest rate will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The CIBC Prime Rate and Better Than Prime mortgage rate in effect at any time are available at any branch in Canada of CIBC.

In the event that it may be necessary at any time to prove the CIBC Prime Rate or Better Than Prime mortgage rate applicable at any time, it is agreed that the certificate in writing of CIBC Mortgages Inc. setting out the rate as at any time shall be deemed to be conclusive evidence as to the rate at such time.

c) **Deferred Interest**

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

6. Compound Interest

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). This additional interest must be paid by you immediately when we require, both before and after the balance due date, default and judgment.

7. Repayment of Loan Amount

a) **Currency and Place**

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

b) **Interest Adjustment Date**

i) Interest on advances up to the interest adjustment date will be calculated in the manner and at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or deducted by us on the first regular mortgage payment date.

ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

c) **Regular Payments**

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

d) **Term/Amortization (Applicable only to Variable Rate Mortgages)**

The annual interest rate specified in your mortgage is subject to variations as set out herein. The principal and interest payment, however, is fixed during the term of the mortgage unless changed by you pursuant to the terms of your mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your principal and interest payment will no longer cover the interest portion of your mortgage owing and the amortization period of the mortgage may increase. In such a case, you shall be required to increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage.

e) **Payment Provisions on Default**

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and life insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 21.

f) **Bank Account for Payments**

You must maintain an account of a type satisfactory to us with a branch of CIBC and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and life insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

8. How We Apply Your Payments

Each of your regular payments will be used in the following order:

a) to pay collection expenses, if any;

b) to pay life insurance premiums payable in respect of the mortgage, if any;

c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of the mortgage, including tax accounts (the "escrow accounts");

d) to pay any applicable administration or processing fees;

e) to pay interest or reduce the interest (including deferred interest, any outstanding or late interest charges) on the principal amount accumulated to but not including the payment date;

f) to reduce the principal amount.

However if you do not meet any of your obligations under your mortgage we may apply any payments or any other money we receive during the period of default in whatever order we may elect as amongst any amounts payable by you under the mortgage. The amount of interest in arrears may be obtained by contacting us.

9. Your Prepayment Rights (Applicable to All Mortgages)

a) If the term of the mortgage is greater than five years and you are not a corporation, you may prepay the outstanding principal amount of the mortgage at any time after the end of the fifth year of the term. In this case, you agree to pay us, in addition to the outstanding principal amount and interest owing to the date of prepayment, an amount equal to three months' interest costs calculated at your existing annual interest rate on the date of prepayment.

b) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

c) Subject to the provisions of paragraphs 9(a) and 9(b) above, if you have complied with all your obligations under the mortgage and your property contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights:

9.I Standard Prepayment Privileges

If you have a Fixed Rate Closed, a 6-Month Term Convertible Closed or a Better Than Prime Variable Rate Mortgage:

a) In each calendar year, you may increase the amount of your regular principal and interest payment without penalty. The total of these increases during the term of your mortgage may not exceed one hundred percent (100%) of the amount of the original regular mortgage payment payable under the mortgage. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period, less the amount of time that has elapsed since you took out the mortgage.

b) In each calendar year, you may prepay up to 10% (15% if you have a CIBC AeroMortgage* or a Better Than Prime Variable Rate Mortgage) of the original principal amount of your mortgage without notice, bonus or penalty. Each prepayment will be made on a regular payment date and shall be not less than $100. If you do not use this privilege in a calendar year, you cannot carry forward this right of prepayment for that calendar year to any following calendar year. This right of prepayment without notice, bonus or penalty does not apply if you prepay the principal amount of the mortgage in full. This is the case even if you have not yet used this right of prepayment in the calendar year during which the mortgage is prepaid in full.

c) In addition:

i) **If you have a Fixed Rate Closed or a 6-month Term Convertible Closed Mortgage,** you may prepay all or some of the outstanding principal amount of your mortgage at any time before the maturity date by paying the higher of the following two amounts:

- three months' interest costs, at your existing annual interest rate on the date of prepayment (plus any discount you received on your existing interest rate), on the amount prepaid by you; or
- the interest rate differential amount. This amount is the difference between your existing annual interest rate on the date of prepayment (plus any discount you received on your existing interest rate) and the interest rate currently charged by CIBC Mortgages Inc. on the date of prepayment for a mortgage similar to yours. A mortgage similar to yours has a term that is closest to the remaining term of your existing mortgage.

ii) **If you have a Better Than Prime Variable Rate Mortgage** you may prepay all or some of the outstanding principal amount of your mortgage at any time before the maturity date upon payment of three months' interest costs charged at the current CIBC Prime Rate on the date of prepayment on the amount you want to prepay.

9.II Open Prepayment Privileges

If you have a Fixed Rate Open or a Variable Rate Open Mortgage:

You may prepay all or any part of the principal amount (and/or deferred interest if you have a Variable Rate Open mortgage) on any regular mortgage payment date (or at any time if you have a Variable Rate Open mortgage) without notice, bonus or penalty.

10. Early Renewal (Applicable only to Fixed Rate Open and Variable Rate Open Mortgages)

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out in the registered document. You must apply in person to use this right of early renewal at any branch of CIBC. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

11. Designated Amount (Applicable only to Better Than Prime Variable Rate and Variable Rate Open Mortgages)

a) Designated Amount means 105% of the original principal amount of the loan or such other amount as agreed to in writing by CIBC Mortgages Inc.

b) If at any time the outstanding loan amount exceeds the Designated Amount, you shall be required to take one of the following actions:

i) increase the amount of each regular payment under the mortgage in order to maintain the remaining amortization period of the mortgage;

ii) reduce the total loan amount then owing by making a lump sum payment sufficient to reduce the outstanding loan amount below the Designated Amount;

iii) convert the mortgage to a fixed rate mortgage having equal monthly payments; or

iv) a combination of any of (i),(ii), or (iii) above.

If you are unable to do one of (i), (ii), (iii) or (iv) above, then, at our option, the mortgage will immediately become due and payable.

12. Convertibility

(Applicable only to 6-Month Term Convertible Closed, Better Than Prime Variable Rate and Variable Rate Open Mortgages)

a) If you have complied with all your obligations under the mortgage, you may convert the mortgage to a fixed rate mortgage with the interest rate and containing the terms and provisions that are offered by us to you at the time of conversion. The following conditions also apply:

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200220 Cote

   i) **If you have a 6-Month Term Convertible Closed Mortgage** your property must contain no more than four living units (unless it is a single residential condominium unit) and the mortgage must be converted to a fixed rate closed mortgage having a term of one year or greater, or a five year term Better Than Prime variable rate mortgage; or

   ii) **If you have a Better Than Prime Variable Rate Mortgage** you must convert to a fixed rate mortgage having a term of three years or greater.

b) You must apply to use this right of conversion in person at any branch of CIBC. You will be able to convert the mortgage by selecting from the mortgage options and programs that we offer at the time you apply for conversion and you must sign our mortgage amending agreement which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement. You agree to pay us any processing or administration fees in connection with the conversion, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the conversion documentation and its registration.

c) Once the mortgage has been converted, the prepayment privileges of the mortgage will no longer apply and the prepayment privileges, if any, will be contained in the conversion/amending documentation.

13. CIBC AeroMortgage and CIBC Club Z Mortgage**
(Applicable only to CIBC AeroMortgage and CIBC CLUB Z Mortgage)

a) The prepayment privileges contained in paragraphs 9, 9.I and 9.II above apply to the type of CIBC AeroMortgage or CIBC Club Z Mortgage selected by you.

b) You (and any guarantor, if applicable) agree that only one Aeroplan* or Club Z account is eligible for Aeroplan Miles or Club Z points credited in respect of the mortgage. If you have a CIBC AeroMortgage, it is your responsibility to ensure that only one CIBC AeroMortgage is associated with one Aeroplan number.

c) You agree that the planholder designated by you (who must be 18 years of age or older) (the "Planholder") will be the beneficiary of the Aeroplan Miles or Club Z points which will be credited to the Planholder's account number provided, or to the account number assigned by Air Canada or Zellers Inc

d) You agree that the Planholder will be solely responsible for any tax liability and/or tax reporting obligations arising from the awarding or redemption of Aeroplan Miles or Club Z points.

e) You agree that the Planholder designation shall not be changed during the term of the mortgage or during any renewal, and may only be changed at maturity, or at the time of renewal or conversion.

f) In the event of a title transfer and/or assumption, we will continue crediting Aeroplan Miles or Club Z points to the designated Planholder until a new Planholder is designated in writing by all parties to the mortgage. We will start crediting Aeroplan Miles or Club Z points to the new Planholder on the payment date following receipt of such designation.

g) If the mortgage is in good standing and payments are not in arrears, the Planholder will be credited with Aeroplan Miles or Club Z points on the interest portion paid on the regular payment of principal and interest. The number of Aeroplan Miles or Club Z points to be awarded in respect of interest paid will be determined by us, in our sole discretion, from time to time.

h) If the mortgage goes into arrears, we will discontinue crediting Aeroplan Miles or Club Z points. When payments are brought up to date, we will credit accrued Aeroplan Miles or Club Z points.

i) Aeroplan Miles and Club Z points accumulated on your mortgage have no monetary value and can only be redeemed as permitted by Air Canada or Zellers Inc., as the case may be. Aeroplan Miles and Club Z points are not transferable.

j) We have the right to cancel the CIBC AeroMortgage or CIBC Club Z program at any time without prior notice to you.

14. Certain Promises You Make to Us

a) You certify and agree with us that:

   i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;

   ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;

   iii) you have the right to give us the mortgage;

   iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;

   v) to the best of your knowledge and belief, after reasonable enquiry and investigation:

      - no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
      - no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;

vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;

viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

b) If you are a tenant or lessee of your property, you also certify and agree with us that:

i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;

ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;

iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;

iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land title office and except for building and zoning by-laws, with which you and your landlord have complied;

v) you will pay rents and other payments required by the lease as they fall due;

vi) you will comply with all your other obligations set out in the lease;

vii) you will not surrender the lease or cause it to be terminated;

viii) you will not make any change in the lease without first obtaining our written consent;

ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;

x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;

xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;

xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 14(b)(xii) as you already have under other provisions of the mortgage and at law;

xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 26(a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;

xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 26 and, in particular, under paragraph 26(a)(iv);

xv) we may remove you or any other person as trustee of the trust referred to in paragraph 14(b)(xiii) and appoint a new trustee or trustees.

15. Demolition and Alterations

a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.

b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

16. Insurance (Paragraph 16 does not apply if your property is a single residential condominium unit)

a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their full replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.

b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.

c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money which we pay for insurance will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.

d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:

- i) used to repair or rebuild your property;
- ii) paid to you; and/or
- iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

17. Property Taxes

a) "taxes" mean all taxes, rates and assessments of any nature or kind, including without limitation, property taxes, school taxes, local improvement rates, interest and penalties.

b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.

c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment calculated as below, based on the estimated annual taxes (as determined by us) that will be payable for the year following such regular mortgage payment date. The amount of each tax instalment shall be:

- i) if the payments of the principal and interest are weekly:
  estimated annual taxes x 7/365
- ii) if the payments of the principal and interest are bi-weekly:
  estimated annual taxes x 14/365
- iii) if the payments of the principal and interest are semi-monthly:
  estimated annual taxes x 1/24
- iv) if the payments of the principal and interest are monthly:
  estimated annual taxes x 1/12

d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 17(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them. We do not have to hold any moneys which you send us under this paragraph 17 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may if we wish, apply any moneys which we have received under paragraph 17 to any portion of the loan amount.

e) Notwithstanding the provisions of this paragraph 17, we may at our option choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year. If, for any reason, you do not pay the taxes when required then paragraphs 17(a) through (d) will apply.

18. Repairs

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

19. No Obligation to Make Advances to You Under the Mortgage

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been registered and whether or not any part of the principal amount has previously been advanced. Even so, you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for registering the mortgage.

20. Leases and Rents

a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option.

b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future; all rents payable under such leases and agreements; and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).

c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will:

- execute and deliver to us an assignment in registerable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and
- give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 20, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

e) Nothing we do under this paragraph 20 will put us in possession of your property and we are not obliged to collect any rent or income from your property nor to comply with any term of any lease or agreement.

f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, C.m.40 (as amended or replaced).

21. Acceleration of Repayment of Loan Amount

The loan amount will immediately become payable, at our option, if:

a) you do not make any payment required by the mortgage;

b) you do not comply with any of your other obligations under the mortgage;

c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 14) is untrue;

d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;

e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or

f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

22. Building Mortgage

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 19, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

23. Releasing Your Land From the Mortgage

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

24. Renewing or Amending the Mortgage (This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

25. Certain Actions We Can Take

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

26. Enforcing Our Rights

a) **Remedies –** If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies include:

i) **Sue you –** We may take such action as is necessary to collect the loan amount.

ii) **Foreclosure or Sale –** We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

iii) **Lease Your Property –** If your default continues for 15 days, we may, on 15 days notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

iv) **Power of Sale –** If your default continues for 15 days we may, on at least 35 days written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.

v) **Enter on Your Property –** We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.

vi) **Appoint a Receiver –** We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.

vii) **Cure any Defaults –** We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

b) **Non-Interference –** If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

c) **Our expenses** – All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of CIBC.

d) **Delay in Enforcement** – Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.

e) **Judgements** – If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

27. Condominium

(If your property is a condominium unit, you must also comply with paragraph 27 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 16).

The corporation created by the registration of a declaration under the *Condominium, Act*, R.S.O. 1990, c.C.26 or *Condominium Act*, S.O. 1998, c.C.19 (as amended or replaced) is called the "condominium corporation".

a) **Compliance with the *Condominium Act*, etc.** – You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

b) **Payment of Amounts and Common Expenses** – You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and add such amounts to your loan amount and you will be in default under the mortgage.

c) **Notices and Demands** – You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

d) **Voting Rights** –

i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.

ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

e) **Acceleration of Repayment of Loan Amount** – At our option, the loan amount will become payable immediately if:

i) government of the property of the condominium corporation under the *Condominium Act* is terminated;

ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;

iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;

iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;

v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or

vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

f) **Insurance** – Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. The insurance company or companies must be approved by us. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

28. Due on Sale and Release

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

i) we give our written approval to you to transfer your property;

ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and

iii) you provide us with proof of registration of a Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

29. Assumption

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

30. Inspection

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that the property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

31. Expropriation

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

32. Guarantee

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may at any time and from time to time without the consent of or notice to any guarantor give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

33. Reservation of Rights

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

34. Discharge

After you have paid us the loan amount, we will sign a discharge or, if requested by you, an assignment of the mortgage and send it to you within a reasonable time. You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on your title and to pay the registration fee. If electronic registration is available for your mortgage, we will register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

35. Administration Fees

You agree to pay to us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, amending or other agreement, statements for information purposes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the rate required by the mortgage.

The amount of such fees in effect at any particular time is available from any branch, in Canada, of CIBC, or by contacting us.

36. Portability

If you have complied with all your obligations under the mortgage, upon written application by you, the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 120 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

a) on the date of completion of the sale of the property, the loan amount is prepaid in full, and the prepayment of the principal amount outstanding under the mortgage will be subject to the prepayment provisions described above that apply to the mortgage. However, provided the new mortgage is advanced within the 120 day period following prepayment of the mortgage, we will, subject to subparagraph (c) below, refund to you the amount of any penalty interest paid in respect of this prepayment;

b) if the principal amount of the new mortgage (the "new mortgage amount") is the same as the principal amount outstanding under the mortgage at the date of prepayment, the current mortgage interest rate will apply to the new mortgage for the period of time equivalent to the time from the prepayment date of the mortgage to its maturity date (the "remaining term");

c) if the new mortgage amount is less than the principal amount outstanding under the mortgage at the date of prepayment, the current mortgage interest rate will apply to the new mortgage for the period of time equivalent to the remaining term of the mortgage, and the penalty interest paid on the amount by which such principal amount outstanding exceeds the new mortgage amount on the date of prepayment will not be refunded to you pursuant to subparagraph (a) above;

d) if the new mortgage amount exceeds the principal amount outstanding under the mortgage at the date of prepayment, the new mortgage interest rate will be a rate of interest that blends (i) the current mortgage interest rate, and (ii) the rate of interest we offer at that time for a similar type of mortgage with a term similar to the remaining term of the mortgage. The term of the new mortgage will be for a period equivalent to the remaining term of the mortgage; and

e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new mortgage.

37. Family Law Act

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, C.f.3 (as amended or replaced).

38. Doctrine of Consolidation

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

39. Date of Mortgage

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document.

40. Ontario New Home Warranties Plan Act

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, c.O.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

41. Who is Bound

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200220 Coto

42. Partial Invalidity

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

43. Paragraph Headings

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

44. National Housing Act

All CMHC and GEMI insured mortgages are made in pursuance of the *National Housing Act*, R.S.C. 1985, c. N - 11, as amended or replaced from time to time.

45. Making Material Change

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the term of the mortgage will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

46. U.S.A. Resident

If you are a resident of the United States of America (U.S.A.) for tax purposes, CIBC Mortgages Inc. is subject to a tax payable to the Government of the U.S.A. on the interest it receives through your mortgage payments. The interest rate on your mortgage is based on our normal lending rates multiplied by a factor of 1.1111 which offsets our obligations in this regard. This factor, however, is subject to change anytime during the term of your mortgage if the Government of the U.S.A. makes a change to the amount of tax to be paid.

Example: If normal lending rate is 6.250%, then the mortgage rate for a U.S.A. resident is 6.250% x 1.1111 = 6.944%.

47. Clawback Clause (Cash Back Offer)

If you have a mortgage which offered a "Cash Back" option and any of the terms and conditions of the original registered mortgage are amended or the mortgage is discharged, refinanced, ported, assumed or early renewed prior to its maturity date for any reason, you will repay CIBC Mortgages Inc. a portion of the cash amount received. The repayment is separate from any prepayment penalties or fees applicable to the mortgage and CIBC Mortgages Inc. may add the repayment amount to the principal amount owing under the mortgage at the time of the amendment, discharge, refinance, port, assumption or early renewal.

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48. Equivalent Interest Rates

The following information is provided to you since the CIBC Prime Rate or the Better Than Prime rate, as the case may be, and the Current Mortgage Rate may be expected to change from time to time. For each Current Mortgage Rate (calculated monthly not in advance) set forth, the adjacent column sets forth the equivalent interest rate calculated semi-annually not in advance.

CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)
1.000	1.00209	**9.000**	9.17045	**17.000**	17.61358
1.125	1.12764	9.125	9.30024	17.125	17.74772
1.250	1.25326	9.250	9.43010	17.250	17.88193
1.375	1.37894	9.375	9.56002	17.375	18.01621
1.500	1.50470	9.500	9.69002	17.500	18.15056
1.625	1.63051	9.625	9.82008	17.625	18.28498
1.750	1.75639	9.750	9.95021	17.750	18.41947
1.875	1.88234	9.875	10.08040	17.875	18.55403
2.000	2.00835	**10.000**	10.21066	**18.000**	18.68865
2.125	2.13443	10.125	10.34099	18.125	18.82335
2.250	2.26057	10.250	10.47139	18.250	18.95811
2.375	2.38678	10.375	10.60185	18.375	19.09295
2.500	2.51306	10.500	10.73238	18.500	19.27785
2.625	2.63940	10.625	10.86298	18.625	19.36282
2.750	2.76580	10.750	10.99365	18.750	19.49766
2.875	2.89228	10.875	11.12438	18.875	19.63297
3.000	3.01881	**11.000**	11.25519	**19.000**	19.76815
3.125	3.14542	11.125	11.38605	19.125	19.90340
3.250	3.27208	11.250	11.51699	19.250	20.03872
3.375	3.39882	11.375	11.64800	19.375	20.17411
3.500	3.52562	11.500	11.77909	19.500	20.30956
3.625	3.65249	11.625	11.91021	19.625	20.44509
3.750	3.77942	11.750	12.04141	19.750	20.58068
3.875	3.90642	11.875	12.17269	19.875	20.71635
4.000	4.03348	**12.000**	12.30403	**20.000**	20.85208
4.125	4.16061	12.125	12.43544	20.125	20.98789
4.250	4.28781	12.250	12.56692	20.250	21.12376
4.375	4.41507	12.375	12.69846	20.375	21.25971
4.500	4.54240	12.500	12.83008	20.500	21.39572
4.625	4.66979	12.625	12.96176	20.625	21.53180
4.750	4.79725	12.750	13.09351	20.750	21.66796
4.875	4.92478	12.875	13.22533	20.875	21.80418
5.000	5.05237	**13.000**	13.35721	**21.000**	21.94047
5.125	5.18003	13.125	13.48916	21.125	22.07683
5.250	5.30776	13.250	13.62118	21.250	22.21326
5.375	5.43555	13.375	13.75327	21.375	22.34977
5.500	5.56341	13.500	13.88543	21.500	22.48634
5.625	5.69133	13.625	14.01766	21.625	22.62298
5.750	5.81932	13.750	14.14995	21.750	22.75969
5.875	5.94738	13.875	14.28231	21.875	22.89647
6.000	6.07550	**14.000**	14.41474	**22.000**	23.03332
6.125	6.20369	14.125	14.54724	22.125	23.17024
6.250	6.33195	14.250	14.67981	22.250	23.30724
6.375	6.46027	14.375	14.81244	22.375	23.44430
6.500	6.58866	14.500	14.94514	22.500	23.58143
6.625	6.71711	14.625	15.07791	22.625	23.71863
6.750	6.84564	14.750	15.21075	22.750	23.85590
6.875	6.97423	14.875	15.34366	22.875	23.99324
7.000	7.10288	**15.000**	15.47664	**23.000**	24.13066
7.125	7.23160	15.125	15.60968	23.125	24.26814
7.250	7.36039	15.250	15.74279	23.250	24.40569
7.375	7.48925	15.375	15.87597	23.375	24.54331
7.500	7.61817	15.500	16.00922	23.500	24.68101
7.625	7.74716	15.625	16.14254	23.625	24.81877
7.750	7.87621	15.750	16.27593	23.750	24.95660
7.875	8.00534	15.875	16.40939	23.875	25.09451
8.000	8.13452	**16.000**	16.54291	**24.000**	25.23248
8.125	8.26378	16.125	16.67650	24.125	25.37053
8.250	8.39310	16.250	16.81016	24.250	25.50865
8.375	8.52249	16.375	16.94389	24.375	25.64683
8.500	8.65195	16.500	17.07769	24.500	25.78509
8.625	8.78147	16.625	17.21156	24.625	25.92342
8.750	8.91106	16.750	17.34550	24.750	26.06181
8.875	9.04072	16.875	17.47950	24.875	26.20028

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200220 Cote

49. Determination of the Components of Monthly Payments

While the amount of each regular mortgage payment (excluding any amount payable in respect of taxes and life insurance) to be paid by you under the mortgage is fixed under the terms of the mortgage, the amount of the interest and principal components of each regular mortgage payment may vary as the current mortgage rate varies. The following provides a method whereby you may calculate the portion of each regular mortgage payment which will be applied to the payment of interest or deferred interest or in reduction of the principal amount.

Method of Calculation

1. Determine the number of days in the payment period, including the date of the immediately preceding payment (or, in the case of the first payment, the interest adjustment date) and excluding the date on which the regular mortgage payment is being paid.

2. a) Determine, for each different current mortgage rate chargeable during the payment period, the number of days on which such current mortgage rate was chargeable. Apply the following formula, for each such current rate, in order to determine the amount of interest which accrued on the principal amount in the payment period for each current mortgage rate:

$$\boxed{\begin{array}{c}\text{Principal amount owing}\\ \text{after immediately}\\ \text{preceding payment}\end{array} \times \text{Current Mortgage rate} \times \frac{\begin{array}{c}\text{Number of days during payment period on which}\\ \text{such current mortgage rate was chargeable}\end{array}}{\text{Number of days in the year}}}$$

(If the calculation is made in respect of the first regular mortgage payment, the principal amount used in the formula will be the principal amount owing on the interest adjustment date.) Add each of the interest components calculated in accordance with this formula in order to determine the **total amount of interest** which accrued on the principal amount during the period.

b) The same procedure is followed to determine the total amount of interest which accrued on any deferred interest during the period, except that, in the formula, the deferred interest owing after the immediately preceding payment is used instead of the principal amount then owing. The total amount of interest which accrued on the deferred interest during the period is then added to the deferred interest which was owing after the immediately preceding regular mortgage payment in order to determine the **deferred interest outstanding** on the Mortgage payment date.

c) The regular mortgage payment is applied as follows:

i) to pay collection expenses, if any;
ii) to pay life insurance premiums payable in respect of the mortgage, if any;
iii) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of the mortgage, including tax accounts (the "escrow accounts");
iv) to pay any applicable administration or processing fees;
v) to pay interest or reduce the interest (including deferred interest, any outstanding or late interest charges) on the principal amount accumulated to but not including the payment date;
vi) to reduce the principal amount.

Example

1. The following example indicates how these calculations are carried out in practice. In this example, assume the following information:

a) the principal amount owing after the immediately preceding regular mortgage payment - $50,000.00;
b) the amount of deferred interest owing after the immediately preceding regular mortgage payment - $40.00;
c) current mortgage rate during the payment period - 20%;
d) the amount of the regular mortgage payment - $1,050.00;
e) number of days in the payment period - 28.

2. a) Use the formula set out above to determine the interest which accrued on the principal amount during the period -

$$\$50{,}000 \times \frac{20}{100} \times \frac{28}{365} = \$767.12$$

b) Use the formula to determine the interest which accrued on the deferred interest during the period -

$$\$40 \times \frac{20}{100} \times \frac{28}{365} = \$0.61$$

Add this amount to the deferred interest owing after the immediately preceding regular mortgage payment to determine the deferred interest outstanding on the regular mortgage payment date - $40.00 + $0.61 = $40.61

c) Apply the regular mortgage payment ($1,050.00) to collection expenses (assume $45.00), life insurance premiums (assume $20.00), tax account (assume $100.00), processing fees (assume $30.00), then to the total amount of interest which accrued on the principal during the period ($767.12) plus deferred interest (40.61) leaving a balance of $47.27. Apply this balance of $47.27 to reduce the principal amount.

DATED at Toronto, this 16th day of July, 2002.

Christie A. McNeill
Solicitor for CIBC Mortgages Inc.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200220 Cote

This set is the French version of the standard charge terms filed under nunber
No. 200216
La presente liste constitue la version francaise
des clauses types de charge déposées sous
la cote 200216
Document déposé par la Société hypothécaire Scotia
La liste des clauses types relatives aux charges hypothécaires suivante doit être réputée être comprise dans tout acte de charge dans lequel il est fait reférence à la liste des clauses types sous la cote qui lui est attribuée, tel qu'il est-stipulé à 1 àrticle 9 de la Loi.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200221 Cote
Filing Date July 30, 2002 Date de Dépôt
Page 1 of/de Eleven (11) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Charge à taux variable
(Loi sur l'enregistrement des droits immobiliers
et Loi sur l'enregistrement des actes)

Loi portant réforme de l'enregistrement immobilier

LISTE DES CLAUSES TYPES RELATIVES AUX CHARGES HYPOTHÉCAIRES N°

1. DÉFINITIONS

Dans la présente Liste des clauses types relatives aux charges hypothécaires, le terme **Acte de charge** désigne l'Acte de charge (hypothèque) (Formule 2) dans lequel il est fait référence à la liste des clauses types sous la cote qui lui est attribuée, ainsi qu'aux annexes qui l'accompagnent et à la présente Liste de clauses types relatives aux charges hypothécaires. Les termes **vous** et **votre(vos)** désignent chacune des personnes y ayant apposé sa signature à titre de débiteur hypothécaire. Les termes **nous** et **notre(nos)** désignent la Société hypothécaire Scotia, à titre de créancier hypothécaire. Le terme **unité foncière** désigne le bien-fonds décrit à la case 5, tous les bâtiments qui y sont ou pourront dans l'avenir y être érigés, ainsi que tous ajouts, modifications et améliorations dont ils pourront faire l'objet. Le terme **montant du principal** désigne le montant indiqué à la case 4. Par **montant du prêt**, il faut entendre le montant variable du solde du prêt (intérêt compris) dont vous nous êtes redevable à une date quelconque au titre du prêt hypothécaire.

Toute référence à une case s'entend dans le présent Acte de charge d'une case de la Formule 2 (y compris toute annexe se rapportant à l'objet de cette case), et toute référence à la signature de l'Acte de charge s'entend des signatures apposées sur la Formule 2 ou sur toute annexe s'y rattachant. Toute référence aux articles et aux alinéas s'entend de ceux qui figurent dans le présent Acte de charge.

Si le prêt hypothécaire en cause est un prêt hypothécaire assuré par la SCHL, il est octroyé aux termes de la **Loi nationale sur l'habitation**.

2. OBLIGATIONS DÉCOULANT DU PRÊT HYPOTHÉCAIRE

En contrepartie du prêt que nous vous octroyons (dont vous accusez réception du montant en principal par votre signature au bas de l'Acte de charge), vous vous obligez comme suit :

i) si vous êtes propriétaire de l'unité foncière, à la grever d'une charge à notre profit et à celui de nos successeurs et cessionnaires (nos **ayants droit**);

ou

ii) si vous êtes locataire de l'unité foncière, à grever d'une charge vos droits dans cette unité foncière (toute option d'achat comprise) à notre profit et celui de nos ayants droit, pour la durée complète du bail;

à titre de garantie pour le remboursement du montant du prêt hypothécaire et l'exécution de vos autres obligations aux termes du présent Acte de charge. Vous grevez de ce fait tous vos droits dans l'unité foncière en notre faveur ou celle de tout bénéficiaire d'un transfert éventuel de la charge.

Extinction de la garantie hypothécaire :

Nos droits dans l'unité foncière prennent fin :

- lorsque le montant du prêt est remboursé conformément aux dispositions de l'Acte de charge; et
- que les autres obligations également prévues aux termes du présent Acte de charge ont été remplies.

3. INTÉRÊTS

A. Taux d'intérêt

Le taux d'intérêt applicable au prêt est un taux variable, exprimé sur une base annuelle, correspondant à notre taux de référence des prêts hypothécaires à taux variable (PHTV) majoré/minoré du pourcentage indiqué à la case 9(b). Notre taux de référence PHTV est établi le premier jour du mois et équivaut au taux de base de La Banque de Nouvelle-Écosse en vigueur ce même jour.

L'intérêt est calculé mensuellement et non d'avance. L'intérêt à taux variable est payable sur le montant du prêt, tant avant qu'après la date du dernier versement, celle de tout défaut de paiement ou d'un jugement. Le taux d'intérêt est révisé automatiquement. Si le taux de base de La Banque de Nouvelle-Écosse varie au cours du mois, le taux d'intérêt qui s'applique à votre prêt ne sera modifié que le premier jour du mois suivant. Chaque fois que, dans le présent Acte de charge, il est fait mention du taux d'intérêt applicable au montant du prêt, il faut entendre le taux de référence PHTV majoré ou minoré du pourcentage indiqué à l'annexe et payable selon les modalités explicitées plus haut.

À la date où le premier signataire appose sa signature au présent Acte de charge, le taux de référence PHTV et le taux d'intérêt applicable au montant du prêt indiqué dans la case 9(b) demeurent en vigueur jusqu'à ce qu'ils fassent l'objet d'une révision aux termes de l'article 3A. L'article 28 donne un tableau comparatif des taux d'intérêt calculés semestriellement et non d'avance, lesquels correspondent aux taux d'intérêt calculés mensuellement et non d'avance.

Prêt hypothécaire assuré par la SCHL : À la suite de toute majoration du taux d'intérêt applicable au montant du prêt, il vous est loisible de rembourser par anticipation le montant restant dû sur le prêt hypothécaire, sans donner de préavis et sans verser d'indemnité ou de commission de gestion. Le montant du remboursement anticipé doit inclure la somme globale dont vous nous êtes redevable aux termes de l'Acte de charge, l'intérêt couru depuis la date d'effet de la majoration du taux jusqu'à celle du remboursement anticipé étant calculé au taux d'intérêt applicable au montant du prêt immédiatement avant une telle majoration. En outre, le remboursement anticipé doit être effectué dans les 21 jours de la date de prise d'effet de la majoration du taux d'intérêt, sans quoi le taux majoré sera alors applicable au prêt.

B. Détermination du taux d'intérêt

À chaque révision du taux de référence PHTV, nous vous adressons par courrier, à votre dernière adresse inscrite dans nos registres, un avis indiquant le nouveau taux et la date de son entrée en vigueur. Cependant, l'omission de notre part d'adresser un tel avis par la poste ou le fait que vous ne le receviez pas n'a pas pour effet d'empêcher la révision du taux. Il est possible d'obtenir en tout temps le taux de référence PHTV en vigueur en s'adressant à l'une des succursales de La Banque de Nouvelle-Écosse au Canada.

C. Intérêt composé

Si un versement mensuel n'est pas réglé à la date d'échéance, nous comptons de l'intérêt sur toute portion impayée du montant du prêt (y compris l'intérêt), jusqu'à son complet remboursement. Cet intérêt est dit **composé**. L'intérêt composé est payable aux dates qui coïncident avec les dates des versements mensuels. Nous percevons également de l'intérêt sur l'intérêt composé échu, au taux applicable au montant du prêt, jusqu'à son complet remboursement, tant avant qu'après la date du dernier versement ou de tout défaut de paiement et jugement.

D. Intérêt différé

Si le montant de l'intérêt couru sur le montant du prêt à compter de la date d'un versement mensuel (ou, dans le cas du premier versement, de la date d'ajustement de l'intérêt) jusqu'à celle du versement suivant excède celui du versement mensuel, l'excédent (désigné **intérêt différé**) porte intérêt au taux alors applicable au prêt. À la date du versement mensuel suivant, l'intérêt payable sur l'intérêt différé s'ajoute à cet intérêt différé et en fait partie intégrante. Si l'intérêt différé n'est pas acquitté à cette date du versement mensuel, il porte intérêt au taux d'intérêt applicable au prêt et s'ajoute au montant de l'intérêt différé et ainsi de suite.

4. MODALITÉS DE REMBOURSEMENT

A. Monnaie et lieu de paiement

Le montant du prêt est payable en monnaie canadienne. Les mensualités et autres paiements sont effectués à la succursale dont l'adresse figure à la case 15, ou à tout autre lieu que nous vous aurons indiqué. Les modalités de paiement sont les suivantes :

B. Intérêt payable jusqu'à la date d'ajustement de l'intérêt inclusivement

Antérieurement à l'échéance de la première mensualité, vous devez nous payer de l'intérêt calculé au taux applicable au montant du prêt sur toutes sommes qui vous ont été avancées jusqu'à la date d'ajustement de l'intérêt indiquée dans la case 9(d) ou, si nous le jugeons à propos, cet intérêt peut être déduit du montant de toute avance consentie après cette date. L'intérêt court depuis la date d'une avance et est payable par versements mensuels le premier jour du mois qui suit la date d'une telle avance et à la même date chaque mois par la suite. Le solde d'intérêt sur ces avances, le cas échéant, calculé jusqu'à la date d'ajustement de l'intérêt, échoit et est exigible à cette date.

C. Échéance des versements après la date d'ajustement de l'intérêt

À compter de la date d'ajustement de l'intérêt, le montant du principal, majoré de l'intérêt, est exigible et remboursable sous forme de **mensualités**.

Vous devez acquitter régulièrement le montant de la mensualité stipulé à la case 9(h) à compter de la date indiquée à la case 9(f), et le **PREMIER** jour de chaque mois par la suite, jusqu'à la date précisée à la case 9(g). La date à laquelle il vous incombe d'acquitter un versement est dite **date d'échéance des mensualités**.

Le solde du montant du principal ainsi que l'intérêt échu sont payables à la date indiquée à la case 9(i), qui correspond à celle indiquée à la case 9(g) et qui est appelée **date du dernier versement**.

D. Imputation des mensualités

Chaque mensualité est imputée :

- **en premier lieu**, au paiement ou à la réduction du montant de l'intérêt couru (autre que l'intérêt différé) sur le montant du prêt à compter (inclusivement) de la date d'échéance des mensualités du mois précédent jusqu'au jour précédant la date d'échéance des mensualités à laquelle le versement est effectué (s'il s'agit du premier versement, l'intérêt correspond à l'intérêt couru depuis la date d'ajustement de l'intérêt);
- **en deuxième lieu**, s'il y a un reliquat, au paiement ou à la réduction, le cas échéant, de l'intérêt différé; et
- **en troisième lieu**, s'il y a un reliquat, à la réduction du montant du prêt.

L'article 27 du présent Acte de charge explique le mode de calcul de l'intérêt payable aux termes de l'Acte de charge. Vous pouvez ainsi établir la part de chaque versement mensuel au titre du prêt qui sera affectée au remboursement de l'intérêt et, le cas échéant, à celui du principal.

E. Exigibilité anticipée en cas de vente ou de transfert d'hypothèque

Nous sommes fondés à exiger le paiement immédiat de la somme globale dont vous nous êtes redevable aux termes de l'Acte de charge, en cas de vente, de transfert ou de constitution d'une hypothèque ou d'une charge sur l'unité foncière. Le présent alinéa ne s'applique pas à une vente, un transfert, une hypothèque ou une charge à laquelle nous avons préalablement consenti par écrit.

F. Remboursement anticipé

Remboursement anticipé

Vous pouvez rembourser à l'avance une partie ou la totalité du prêt hypothécaire selon le type de prêt. Si nous convenons plus tard de modifier ou de proroger la durée du prêt, ces conditions relatives au remboursement anticipé ne s'appliqueront pas à la durée modifiée ou prorogée.

Option «Temps d'arrêt®»

Vous pouvez omettre d'effectuer un versement à la date d'échéance prévue pourvu que vous ayez fait un versement anticipé d'un montant équivalent aux versements que vous prévoyez omettre pendant la durée du prêt en cours et que le prêt hypothécaire soit en règle. Toutefois, le cas échéant, vous ne pouvez omettre de payer la prime d'assurance hypothécaire. Des versements supplémentaires ou des remboursements anticipés ne peuvent être utilisés pour omettre un versement dans le cas où le prêt hypothécaire serait pris en charge par un nouvel acheteur.

Maintien des obligations

À moins que vous n'ayez remboursé le solde en principal du prêt, vous devez effectuer régulièrement le paiement des mensualités.

Si le contrat de prêt hypothécaire ne comporte pas de taux plafond

Si le contrat de prêt hypothécaire ne comporte pas de taux plafond et que les versements sont en règle, vous pouvez rembourser la totalité ou une partie du solde en principal du prêt hypothécaire à n'importe quelle date d'échéance régulière. Si vous remboursez le solde entier du prêt, vous devez payer des frais d'administration correspondant à 100 $ par année ou partie d'année restant à courir avant l'échéance.

Si le contrat de prêt hypothécaire comporte un taux plafond

Si le contrat de prêt hypothécaire comporte un taux plafond et que les versements sont en règle, vous pouvez augmenter le montant des versements ou rembourser par anticipation une partie du prêt selon l'une des options décrites dans le tableau qui suit. Ces options ne s'appliquent qu'à des remboursements partiels. Vous pouvez les exercer chaque année, sans possibilité de report à une année ultérieure. Le terme «année» désigne une période de 12 mois commençant à la date d'ajustement de l'intérêt ou à la date anniversaire de celle-ci.

OPTIONS DE REMBOURSEMENT ANTICIPÉ		
Comment	**Quand**	**Résultat**
1 *En effectuant un versement hypothécaire régulier supplémentaire (capital, intérêts et impôt foncier)	À n'importe quelle date de versement hypothécaire régulier	Le montant en capital de votre prêt hypothécaire est réduit de ce montant
2. *En remboursant jusqu'à 15 % du montant initial en capital de votre prêt hypothécaire	En tout temps, la somme totale ne devant pas excéder le maximum annuel	
3. En augmentant vos mensualités hypothécaires régulières d'un montant pouvant atteindre jusqu'à 15 % du versement en capital et intérêts établi pour la durée du prêt hypothécaire	Une fois chaque année de la durée de votre prêt hypothécaire	

*Seules les options 1 et 2 permettent d'omettre un versement.

Remboursement anticipé - Pénalité

Lorsque vous remboursez par anticipation la totalité ou une partie du prêt hypothécaire, vous devez payer une pénalité à moins que le remboursement partiel ne soit conforme au tableau des options de remboursement anticipé.

Le montant de la pénalité pour le remboursement anticipé de la totalité ou d'une partie du prêt hypothécaire correspond à trois mois d'intérêt calculé au taux plafond.

Mégaprime

Si votre prêt hypothécaire est assorti d'une Mégaprime :

Le montant de la Mégaprime doit nous être remboursé si nous ne restons pas créanciers du prêt pendant la totalité de la durée. Si le prêt est remboursé en totalité, transféré ou renouvelé avant l'échéance de la durée initiale, toute quittance indiquera que le montant de la Mégaprime est exigible, laquelle sera calculée au prorata comme dans l'exemple de 3 ans qui suit :

- 100 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la première année de la durée de 3 ans.
- 66 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la deuxième année de la durée de 3 ans.
- 33 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la troisième année de la durée de 3 ans.

(B) Le montant de la prime est remboursable à demande, selon notre choix, si le montant en principal du prêt qui est exigible devait être inférieur à dix pour cent (10 %) du montant en principal initial, tel qu'il est indiqué plus haut, au cours de la durée de trois ans du prêt hypothécaire, et ce, à compter de la date du décaissement.

Si la prime de 1 % est accordée sous forme de réduction du montant en principal, ladite réduction prend effet le premier jour ouvrable suivant la date d'ajustement de l'intérêt, et tout échange portant sur le prêt hypothécaire fera état du montant total en principal avant ladite réduction.

La présente offre ne peut être jointe à aucune autre offre de réduction ou réclame de crédit hypothécaire au cours de la durée de trois (3) ans depuis la date de décaissement.

5. DROIT DE PROPRIÉTÉ

A. À titre de propriétaire de l'unité foncière, vous attestez :

- i) être le propriétaire légitime de cette unité foncière;
- ii) être fondé en droit à nous consentir une hypothèque;
- iii) que votre titre de propriété est libre de toute charge;
- iv) que votre titre de propriété est libre de toute servitude, sauf en ce qui a trait aux règles du code du bâtiment, aux règlements relatifs au zonage et aux servitudes régulièrement enregistrées. Les dispositions de l'alinéa A sont applicables, à moins que vous ne nous ayez informés par écrit que vous êtes locataire en vertu d'un bail de l'unité foncière; auquel cas les dispositions de l'alinéa B sont applicables.

B. À titre de locataire de l'unité foncière :

- i) vous attestez que :
  - a) l'unité foncière a été prise en location par vous ou vos ayants droit en vertu d'un bail, dont copie nous a été remise;
  - b) le bail est en vigueur, a force probante et tous les renseignements que vous nous avez fournis à son sujet sont véridiques;
  - c) tous les loyers payables en vertu du bail ont été acquittés à la date de signature de l'Acte de charge;
  - d) vous avez le droit ou l'autorisation de céder, d'hypothéquer ou de grever le bail;
  - e) vos droits à l'égard du bail, sauf stipulations contraires dans le bail, ne sont assujettis à aucune limitation, restriction ou charge, exception faite des règles du code du bâtiment, des règles de zonage et des servitudes régulièrement enregistrées.

Si le contrat de prêt hypothécaire comporte un taux plafond

Si le contrat de prêt hypothécaire comporte un taux plafond et que les versements sont en règle, vous pouvez augmenter le montant des versements ou rembourser par anticipation une partie du prêt selon l'une des options décrites dans le tableau qui suit. Ces options ne s'appliquent qu'à des remboursements partiels. Vous pouvez les exercer chaque année, sans possibilité de report à une année ultérieure. Le terme «année» désigne une période de 12 mois commençant à la date d'ajustement de l'intérêt ou à la date anniversaire de celle-ci.

OPTIONS DE REMBOURSEMENT ANTICIPÉ		
Comment	**Quand**	**Résultat**
1 *En effectuant un versement hypothécaire régulier supplémentaire (capital, intérêts et impôt foncier)	À n'importe quelle date de versement hypothécaire régulier	Le montant en capital de votre prêt hypothécaire est réduit de ce montant
2. *En remboursant jusqu'à 15 % du montant initial en capital de votre prêt hypothécaire	En tout temps, la somme totale ne devant pas excéder le maximum annuel	
3. En augmentant vos mensualités hypothécaires régulières d'un montant pouvant atteindre jusqu'à 15 % du versement en capital et intérêts établi pour la durée du prêt hypothécaire	Une fois chaque année de la durée de votre prêt hypothécaire	

*Seules les options 1 et 2 permettent d'omettre un versement.

Remboursement anticipé - Pénalité

Lorsque vous remboursez par anticipation la totalité ou une partie du prêt hypothécaire, vous devez payer une pénalité à moins que le remboursement partiel ne soit conforme au tableau des options de remboursement anticipé.

Le montant de la pénalité pour le remboursement anticipé de la totalité ou d'une partie du prêt hypothécaire correspond à trois mois d'intérêt calculé au taux plafond.

Mégaprime

Si votre prêt hypothécaire est assorti d'une Mégaprime :

Le montant de la Mégaprime doit nous être remboursé si nous ne restons pas créanciers du prêt pendant la totalité de la durée. Si le prêt est remboursé en totalité, transféré ou renouvelé avant l'échéance de la durée initiale, toute quittance indiquera que le montant de la Mégaprime est exigible, laquelle sera calculée au prorata comme dans l'exemple de 3 ans qui suit :

- 100 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la première année de la durée de 3 ans.
- 66 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la deuxième année de la durée de 3 ans.
- 33 % du montant de la Mégaprime si le remboursement/renouvellement a lieu au cours de la troisième année de la durée de 3 ans.

(B) Le montant de la prime est remboursable à demande, selon notre choix, si le montant en principal du prêt qui est exigible devait être inférieur à dix pour cent (10 %) du montant en principal initial, tel qu'il est indiqué plus haut, au cours de la durée de trois ans du prêt hypothécaire, et ce, à compter de la date du décaissement.

Si la prime de 1 % est accordée sous forme de réduction du montant en principal, ladite réduction prend effet le premier jour ouvrable suivant la date d'ajustement de l'intérêt, et tout échange portant sur le prêt hypothécaire fera état du montant total en principal avant ladite réduction.

La présente offre ne peut être jointe à aucune autre offre de réduction ou réclame de crédit hypothécaire au cours de la durée de trois (3) ans depuis la date de décaissement.

5. DROIT DE PROPRIÉTÉ

A. **À titre de propriétaire de l'unité foncière**, vous attestez :

- i) être le propriétaire légitime de cette unité foncière;
- ii) être fondé en droit à nous consentir une hypothèque;
- iii) que votre titre de propriété est libre de toute charge;
- iv) que votre titre de propriété est libre de toute servitude, sauf en ce qui a trait aux règles du code du bâtiment, aux règlements relatifs au zonage et aux servitudes régulièrement enregistrées. Les dispositions de l'alinéa A sont applicables, à moins que vous ne nous ayez informés par écrit que vous êtes locataire en vertu d'un bail de l'unité foncière; auquel cas les dispositions de l'alinéa B sont applicables.

B. **À titre de locataire de l'unité foncière :**

- i) vous attestez que :
  - a) l'unité foncière a été prise en location par vous ou vos ayants droit en vertu d'un bail, dont copie nous a été remise;
  - b) le bail est en vigueur, a force probante et tous les renseignements que vous nous avez fournis à son sujet sont véridiques;
  - c) tous les loyers payables en vertu du bail ont été acquittés à la date de signature de l'Acte de charge;
  - d) vous avez le droit ou l'autorisation de céder, d'hypothéquer ou de grever le bail;
  - e) vos droits à l'égard du bail, sauf stipulations contraires dans le bail, ne sont assujettis à aucune limitation, restriction ou charge, exception faite des règles du code du bâtiment, des règles de zonage et des servitudes régulièrement enregistrées.

ii) vous vous obligez :

a) à payer le loyer à l'échéance;

b) à respecter les autres conditions du bail et à vous abstenir de tout ce qui pourrait entraîner sa résiliation;

c) à ne pas rétrocéder le bail;

d) à ne pas modifier le bail sans avoir au préalable obtenu notre consentement écrit;

e) à nous remettre copie conforme de tout avis ou requête qui vous est adressé concernant le bail;

f) à nous aviser sans délai, au cas où le propriétaire vous ferait part de la résiliation anticipée du bail ou prendrait des dispositions à cet effet.

C. Vous devez éviter tout ce qui pourrait porter atteinte à nos droits sur l'unité foncière.

D. Vous vous engagez à signer tous autres documents et à accomplir toutes formalités que nous jugeons nécessaires pour assurer le transfert à notre profit de vos droits dans l'unité foncière.

6. USAGE DE L'UNITÉ FONCIÈRE

Vous ne pouvez pas effectuer d'ajouts, de modifications ou d'améliorations à l'unité foncière et devez éviter de l'utiliser à des fins professionnelles sans avoir obtenu au préalable notre consentement écrit.

7. NOUS N'AVONS AUCUNE OBLIGATION DE VOUS VERSER DES AVANCES AUX TERMES DE L'ACTE DE CHARGE

Nous pouvons, si nous le jugeons à propos, pour un motif quelconque, nous abstenir de vous verser tout ou partie du montant du principal, même si l'Acte de charge est déjà rédigé, signé ou enregistré, et qu'une partie du principal ait été ou non décaissée. En apposant votre signature sur l'Acte de charge, vous nous cédez tous vos droits sur l'unité foncière. Vous devez nous rembourser, sur demande, de tous nos frais engagés pour constater vos droits sur l'unité foncière et pour la rédaction et l'enregistrement de l'Acte de charge.

8. IMPÔT FONCIER

A. Vous devez acquitter chaque mois, en même temps que le versement sur le prêt, une part du montant de l'impôt foncier. Fixé à un douzième du total de l'impôt foncier estimatif sur l'unité foncière pour l'année considérée, le montant de cet impôt mensuel peut être rajusté pour tenir compte de toute modification apportée au taux d'imposition annuel applicable à l'unité foncière. La quote-part de l'impôt foncier ainsi acquitté mensuellement doit nous permettre de régler annuellement le montant intégral de l'impôt foncier au plus tard à la date d'échéance. Si l'impôt foncier est payable par versements, les paiements effectués mensuellement par vous à ce titre doivent nous permettre d'acquitter intégralement le total des versements au titre de l'impôt foncier au plus tard à la date d'échéance du premier versement.

B. Si, toutefois, un intervalle de moins de un an sépare la date d'ajustement de l'intérêt de la date d'échéance annuelle de l'impôt foncier ou de celle du premier versement à ce titre, vous devez nous verser mensuellement des montants égaux durant cette période et au cours des douze mois qui suivent. Nous nous fondons, pour fixer le montant de ces paiements mensuels, sur notre estimation du total de l'impôt foncier payable pour les deux périodes, afin de nous permettre de percevoir un montant suffisant pour régler intégralement cet impôt à l'échéance.

C. Vous devez également régler, sur demande, tout excédent de l'impôt foncier sur le montant estimatif calculé par nous. Pour couvrir cet excédent, nous pouvons, si nous le jugeons à propos, majorer le montant acquitté par vous mensuellement à ce titre.

D. Le montant perçu auprès de vous mensuellement est régulièrement affecté au paiement de l'impôt foncier, sauf en cas de retard de paiement de votre part. Nous ne sommes nullement tenus de régler l'impôt foncier aux dates d'échéance ou plus d'une fois l'an. Nous acquittons l'impôt foncier même si le montant reçu de vous est insuffisant, votre compte d'impôt foncier indiquant alors un solde débiteur qui doit être immédiatement réglé. Nous ne sommes pas tenus de vous signaler que ce compte est débiteur.

E. Sur tout solde créditeur à votre compte d'impôt foncier, de l'intérêt est calculé à un taux d'intérêt non inférieur à celui versé par La Banque de Nouvelle-Écosse sur les comptes-chèques d'épargne. Sur tout solde débiteur à votre compte d'impôt foncier, de l'intérêt est imputé au taux applicable au montant du prêt jusqu'au complet règlement de ce découvert.

F. À défaut de votre part d'acquitter tout montant qui nous est dû à l'échéance, nous pouvons prélever un tel montant sur les fonds en dépôt dans votre compte d'impôt foncier.

G. Une somme peut être déduite du montant de la dernière avance payable au titre du principal du prêt pour assurer le règlement de tout l'impôt foncier payable jusqu'à la date d'ajustement de l'intérêt et non acquitté à la date de la dernière avance.

H. Vous nous transmettrez sans délai tous avis d'évaluation, d'imposition ou de cotisation qui vous sont adressés.

9. PAIEMENTS EFFECTUÉS POUR VOTRE COMPTE

Il nous est loisible de libérer l'unité foncière de tous privilèges, droits et charges qui, à notre avis, ont priorité sur notre créance, et également d'acquitter les frais que nous avons engagés pour recouvrer les sommes que vous n'avez pas acquittées à l'échéance, nos frais juridiques compris calculés sur la base avocat-client. Vous devez nous rembourser de tels frais dans les plus brefs délais.

Si nous libérerons l'unité foncière de tous privilèges, droits et charges, il y a subrogation en notre faveur des droits, titres et sûretés de la personne physique ou morale, société ou Administration qui a été ainsi désintéressée. Si nous le jugeons opportun, nous sommes autorisés à conserver pendant six mois ou plus toute quittance.

10. CESSION DE BAUX ET LOYERS

A. En cas de location actuelle ou éventuelle à des tiers de la totalité ou d'une partie de l'unité foncière, sur notre demande écrite, vous nous cédez :

- i) tous baux, contrats de location et renouvellements s'y rapportant;
- ii) tous loyers et toutes sommes exigibles aux termes des baux et contrats de location. Nous pouvons, toutefois, vous autoriser à percevoir les loyers, pourvu que les versements soient en règle et que vous vous soyez conformé à vos autres obligations en vertu de l'Acte de charge;
- iii) tous droits afférents aux baux et aux contrats de location ayant une incidence sur l'unité foncière.

B. Vous acceptez de plus les conditions suivantes :

- i) vous devez obtenir notre consentement écrit avant d'octroyer de nouveaux baux ou de renouveler un bail en cours (sauf s'il s'agit d'un renouvellement prévu aux termes d'un bail déjà conclu);
- ii) aucune intervention de notre part aux termes du présent article 10 ne peut nous mettre en possession de l'unité foncière;
- iii) en cas de défaut de paiement de votre part, toutefois, nous sommes habilités à prendre possession de l'unité foncière;
- iv) nous n'avons aucune obligation de percevoir les loyers ou autres revenus ni de nous conformer aux conditions d'un bail ou d'un contrat de location.

11. ASSURANCES

Vous devez sans délai assurer et tenir constamment assurés à notre profit et jusqu'à libération de l'hypothèque, tous les immeubles grevés par cette hypothèque (y compris, tant pendant qu'après les travaux, ceux qui pourront être construits dans l'avenir) contre les risques de perte ou de dommages par incendie et autres risques habituellement couverts par les polices d'assurance-incendie et contre tous autres risques qu'il nous appartient de déterminer. Une telle assurance doit être souscrite auprès d'un assureur ayant notre agrément, pour un montant en dollars canadiens correspondant à la valeur de remplacement de l'immeuble (montant maximum pouvant être souscrit). Établie dans des formes jugées par nous acceptables, cette assurance doit comporter les garanties annexes et une clause nous désignant comme bénéficiaire de l'indemnité en cas de sinistre. Vous vous engagez à nous transférer, sur notre demande, toutes les polices d'assurance et quittances afférentes aux immeubles, ainsi que le produit de telles assurances.

À défaut de votre part :

- de tenir les immeubles assurés d'une façon que nous jugeons conforme aux instructions qui précèdent;
- de nous remettre, sur notre demande, toute police d'assurance ou toute quittance;
- de nous fournir, sur demande, au moins quinze jours complets avant la date d'expiration ou de résiliation d'une assurance, une preuve de renouvellement ou de souscription d'une nouvelle assurance,

nous pouvons, sans y être tenus, souscrire une assurance sur les immeubles hypothéqués et le montant de la prime d'une telle assurance s'ajoutera à la somme que vous nous devez aux termes de l'Acte de charge et portera intérêt au taux applicable à celui-ci. Vous devez acquitter cette prime à l'échéance de la mensualité la plus rapprochée. En cas de perte ou dommage, vous devez nous fournir immédiatement, à vos frais, toutes les preuves du sinistre et accomplir toutes les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. La remise à l'assureur d'un exemplaire du présent Acte de charge constitue une autorisation suffisante lui permettant de nous verser le montant de cette indemnité ou d'accepter nos instructions relatives au règlement du sinistre.

À notre choix, le montant de l'indemnité peut en totalité ou en partie :

- a) être affecté à la reconstruction ou à la réparation des immeubles endommagés;
- b) vous être versé;
- c) être versé à une autre personne propriétaire ou à un ancien propriétaire de l'unité foncière, selon ce qu'indique le titre de propriété enregistré;
- d) être affecté à la réduction intégrale de toute portion du montant du prêt, qu'il soit ou non arrivé à échéance.

Si l'unité foncière est une partie privative d'une copropriété, les dispositions de l'alinéa E de l'article 21 sont applicables, mais non celles du présent article 11.

12. MAINTIEN DES LIEUX EN BON ÉTAT

Vous vous engagez à maintenir les locaux en bonne condition et à y effectuer toutes les réparations nécessaires. Vous ne pouvez faire et n'autorisez personne à faire quoi que ce soit qui puisse diminuer la valeur de l'unité foncière. Nous pouvons en faire l'inspection à toute heure raisonnable. Au cas où nous jugerions que :

- vos locaux ne sont pas tenus en bon état;
- vous faites ou tolérez quoi que ce soit susceptible de diminuer la valeur de l'unité foncière;

nous pouvons effectuer les réparations que nous estimons nécessaires. Vous devez nous rembourser immédiatement tous les frais d'inspection et de réparation engagés par nous.

13. DISPOSITIONS RELATIVES À L'ENVIRONNEMENT

Nous (et, aux fins du présent article, la Société canadienne d'hypothèques et de logement, s'il s'agit d'un prêt assuré par cette société) pouvons inspecter l'unité foncière et les bâtiments qui s'y trouvent, quand nous le jugeons à propos. Nous pouvons procéder à de telles inspections à toutes fins utiles, mais en particulier pour effectuer des évaluations environnementales, des évaluations des lieux et des vérifications ou études que nous jugeons nécessaires. Les frais engagés pour de telles évaluations, vérifications ou études sont à votre charge et doivent nous être remboursés dès réception d'un avis à cet effet. S'ils ne sont pas acquittés sur demande, ces frais s'ajoutent au solde du prêt et portent intérêt au taux applicable à ce prêt. Aucune intervention de notre part en application des dispositions du présent article n'est assimilable à une prise de contrôle de l'unité foncière.

14. EXIGIBILITÉ ANTICIPÉE DU PRÊT

Nous pouvons exiger le paiement immédiat du montant du prêt si :

- a) vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable aux termes de l'Acte de charge;
- b) vous ne remplissez pas certaines autres obligations contractées en vertu de l'Acte de charge;
- c) un privilège est enregistré à l'encontre de l'unité foncière ou nous sommes avisés par écrit qu'un privilège a été constitué en raison du non-paiement de l'impôt foncier, des charges communes dans le cas d'un logement en copropriété, d'un jugement, du privilège d'un constructeur ou d'autres charges semblables;
- d) l'unité foncière est abandonnée;
- e) des travaux de construction, d'agrandissement ou de rénovation entrepris sur l'unité foncière demeurent inachevés, l'arrêt des travaux se poursuivant depuis trente jours consécutifs.
- f) dans le cas d'un PHTV sans taux plafond, le solde du prêt excède 105 % du montant décaissé initialement.

15. NOMINATION D'UN SÉQUESTRE

Si vous omettez d'acquitter une mensualité à l'échéance ou tout autre paiement dont vous nous êtes redevable, ou de satisfaire aux obligations contractées aux termes de l'Acte de charge, nous pouvons désigner par écrit un **séquestre** (y compris un séquestre-gérant) qui sera chargé de percevoir les revenus afférents à l'unité foncière. Nous pouvons également désigner par écrit un nouveau séquestre en remplacement de celui désigné par nous précédemment. Le séquestre est réputé être votre mandataire et non le nôtre et vous assumez la responsabilité de ses manquements.

Le séquestre est habilité :

- à exercer tout recours disponible (en votre nom ou au nôtre) en vue de percevoir les revenus afférents à l'unité foncière;
- à prendre possession de tout ou partie de l'unité foncière; et
- à l'administrer et à la conserver en bon état.

Sur les revenus perçus, le séquestre peut :

a) conserver une commission égale à 5 % du total des fonds perçus, ou d'un taux plus élevé autorisé par un juge ou un autre fonctionnaire public;

b) conserver une somme suffisante pour acquitter les frais engagés pour percevoir ces revenus;

c) acquitter tous impôts et taxes, primes d'assurance-incendie, frais d'entretien de l'unité foncière, intérêts dus, charges qui ont priorité sur notre créance hypothécaire et intérêts connexes;

d) acquitter l'intérêt qui nous est dû en vertu de l'Acte de charge et nous verser toute autre somme payable aux termes dudit Acte de charge, qu'elle soit échue ou non.

Aucune intervention du séquestre ne peut avoir pour effet de nous mettre en possession de l'unité foncière ou de nous rendre redevable de toutes sommes, à l'exception de celles qui nous ont été versées.

16. EXERCICE DE NOS DROITS

A. Défaut de paiement

En cas de non-paiement d'une mensualité à l'échéance ou de tout autre paiement auquel vous êtes tenu en vertu de l'Acte de charge, nous pouvons exercer un ou plusieurs des recours suivants, sans ordre prédéterminé :

i) **Poursuite** – Nous pouvons vous intenter, s'il y a lieu, une action afin d'obtenir le remboursement du montant du prêt;

ii) **Forclusion ou vente de l'unité foncière** – Nous pouvons entamer une poursuite en vue d'obtenir une ordonnance de forclusion de vos droits, titre et droit de rachat sur tout ou partie de l'unité foncière. Si nous obtenons une ordonnance définitive portant forclusion, l'unité foncière deviendra de plein droit notre propriété.

Nous pouvons également nous adresser à un tribunal pour que soit ordonnée la vente de l'unité foncière. Dans un tel cas, le tribunal veille au déroulement de la procédure. Le produit net de la vente est affecté à la réduction du montant du prêt. Toute somme restante, une fois les créances réglées, vous est remise. Si le produit de la vente ne couvre pas intégralement le montant du prêt, vous devez nous verser la différence.

iii) **Pouvoir de vendre** – Lorsqu'un paiement est en souffrance depuis quinze jours, nous pouvons, moyennant un préavis de 35 jours, pénétrer dans l'unité foncière et :

a) en prendre possession;

b) vendre tout ou partie de l'unité foncière (au comptant ou à crédit, ou partiellement au comptant et partiellement à crédit) par vente publique ou de gré à gré, au prix et aux conditions qu'il appartient de déterminer;

c) la donner en location, à des conditions et pour une durée qu'il nous appartient de déterminer;

d) exercer tout autre recours à notre disposition en vertu des lois de l'Ontario.

Tout avis est donné, à vous et aux autres intéressés, selon les formes prescrites par la loi au moment de la notification. En l'absence de telles exigences, notification peut vous être donnée de l'une ou plusieurs des façons suivantes :

- notification en personne à votre dernière adresse connue;
- envoi recommandé à votre dernière adresse connue;
- avis dans un journal publié dans le comté ou la localité où se trouve l'unité foncière;
- remise sur place à un adulte;
- affichage d'un avis sur l'unité foncière.

Après un retard de paiement de trois mois, nous sommes fondés à pénétrer dans l'unité foncière, à la vendre ou à la louer, sans vous adresser d'avis, sauf s'il est requis par la loi.

Le produit net de la vente ou de la location peut être affecté en réduction du montant du prêt, et tout solde restant vous est remis, une fois toutes les créances remboursées. Si le montant que nous touchons de la vente ou de la location de l'unité foncière ne couvre pas entièrement le montant du prêt, vous devez nous verser la différence.

B. Manquement aux obligations, défaut de paiement compris – Si vous manquez aux obligations qui vous incombent aux termes de l'Acte de charge (défaut de paiement explicité sous A compris), nous sommes fondés à exercer nos droits susmentionnés, à pénétrer dans l'unité foncière en tout temps, sans la permission de quiconque, et à prendre toutes mesures que nous jugeons souhaitables aux fins suivantes :

- inspecter, louer, ou administrer l'unité foncière, et percevoir tous loyers;
- y réparer ou remettre en état tout bâtiment;
- y achever la construction de tout bâtiment.

Nous pouvons également prendre toutes mesures nécessaires pour prendre, recouvrer et conserver la possession de l'unité foncière.

C. Vente de biens (prêts hypothécaires commerciaux uniquement) – Si le prêt en cause est un prêt hypothécaire commercial, en cas de non-paiement d'une mensualité à l'échéance, nous pouvons saisir vos marchandises. En d'autres termes, il nous est loisible de prendre ces marchandises et de les vendre, en conformité avec les lois de l'Ontario. Le produit net d'une telle vente peut être appliqué en réduction du montant du prêt. Une telle intervention ne peut nous mettre en possession de l'unité foncière, ni engager notre responsabilité à l'égard de sommes quelconques, sauf celles réellement perçues.

D. Aucune opposition de votre part – Vous vous engagez à ne pas faire opposition à la prise de possession de l'unité foncière (si cette prise de possession découle de l'exercice de nos droits précités), ainsi qu'à la prise de possession par des tiers, en cas de vente ou de location par nous ou par un séquestre. Vous vous engagez, en pareil cas, à ne pas poursuivre en justice l'acquéreur, le locataire ou un séquestre, ou quiconque pourra en faire l'acquisition ou la location par la suite.

E. Nos frais – Vous êtes tenu de nous rembourser immédiatement tous les frais engagés pour faire valoir nos droits, notamment ceux engagés pour prendre ou garder possession de l'unité foncière, la rémunération des services du personnel de la Société hypothécaire Scotia et/ou de La Banque de Nouvelle-Écosse, nos frais juridiques sur une base avocat-client, et tous autres frais relatifs à la protection de nos droits en vertu de l'Acte de charge.

F. Jugements – Au cas où un jugement serait rendu contre vous du fait de l'inobservation de vos obligations aux termes de l'Acte de charge, il n'y a pas alors confusion des droits découlant d'un tel jugement avec nos autres recours ou droits, aux fins d'assurer l'exécution de vos autres obligations en vertu de l'Acte de charge. Nous continuons d'avoir droit au paiement de l'intérêt calculé sur le montant du prêt au taux qui lui est applicable, aux intervalles prévus aux termes de l'Acte de charge. L'intérêt prévu en cas de jugement est calculé aux mêmes conditions que celui payable sur le montant du prêt; et ce jusqu'à ce que le jugement ait cessé de produire ses effets.

17. EXERCICE DIFFÉRÉ DE NOS DROITS

Ni un délai de paiement ou une prorogation de la durée consenti à vous ou à une autre personne du fait de l'exercice de nos droits aux termes de l'Acte de charge et ni la conclusion d'un accord visé à l'article 20, n'a d'incidence sur nos droits :

a) de recevoir tous paiements dont vous nous êtes redevable, lorsqu'ils sont dus et exigibles;
b) d'exiger le remboursement du montant du prêt et de tous intérêts échus, en cas de défaut de paiement de votre part;
c) d'exiger l'accomplissement de toutes les obligations qui vous incombent aux termes de l'Acte de charge;
d) d'assurer le respect des obligations contractées envers nous par toute autre personne aux termes de l'Acte de charge.

18. PRÊT HYPOTHÉCAIRE À LA CONSTRUCTION

Par **amélioration**, il faut entendre toute modification, ajout ou réparation apporté à un bâtiment faisant partie de l'unité foncière, ou toute construction, aménagement ou installation, qui y est effectué. Si l'objet du prêt est de financer une telle amélioration, vous devez nous en informer par écrit immédiatement et avant le décaissement de toute avance aux termes du présent Acte de charge. Vous devez également nous remettre sans délai copies de tous contrats et contrats de sous-traitance ayant trait à ces travaux et de toutes dispositions modificatives s'y rapportant. Les travaux doivent être effectués uniquement selon les contrats, les plans et les devis ayant reçu au préalable notre approbation écrite. Ces travaux de construction ou d'amélioration doivent être effectués avec toute la diligence possible et sur demande, vous devez nous fournir tous documents justifiant du paiement de ces travaux. Nous vous consentirons des avances (à valoir sur le montant du principal) selon l'avancement des travaux, jusqu'à l'achèvement et l'occupation ou la vente de l'unité foncière. Il nous appartient de déterminer l'opportunité et le moment de telles avances. Quel que soit l'objet du prêt, nous pouvons, si nous le jugeons à propos, faire une retenue sur le montant des avances, jusqu'à ce que nous ayons la certitude que vous vous êtes conformé aux dispositions relatives aux retenues prévues dans la Loi sur le privilège dans l'industrie de la construction, et dans toute version modifiée de cette loi. Vous nous autorisez à fournir des renseignements concernant l'Acte de charge à toute personne bénéficiant d'un privilège du constructeur.

19. MAINLEVÉE DE L'HYPOTHÈQUE SUR L'UNITÉ FONCIÈRE

Nous pouvons fixer les conditions pour la mainlevée de nos droits sur tout ou partie de l'unité foncière (nous pouvons en d'autres termes la libérer totalement ou partiellement de cette charge), que nous ayons ou non reçu une contrepartie. En cas de libération partielle de l'unité foncière, la partie restante continue de garantir le montant du prêt. Nous n'avons à rendre compte que des sommes effectivement perçues.

Si l'unité foncière est lotie avant que nos droits sur celle-ci prennent fin, la garantie que constitue la présente hypothèque porte sur chacun des lots subdivisant l'unité foncière. Cela signifie que chaque lot garantit le remboursement du plein montant que vous nous devez, même si nous accordons la mainlevée de la présente hypothèque relativement à d'autres lots du bien-fonds.

Si une partie de l'unité foncière ou tout terrain attenant à celle-ci fait l'objet d'une expropriation ou d'une autre procédure semblable, le montant total de l'indemnité à laquelle vous pourriez avoir droit peut être affecté, si nous le jugeons à propos, au remboursement du solde exigible sur le prêt hypothécaire, y compris les pénalités, les frais ou l'intérêt auxquels nous avons droit aux termes du présent Acte de charge ou en vertu des lois applicables.

Nous pouvons vous libérer, de même que le garant ou toute autre personne, de l'exécution d'une obligation prévue dans le présent Acte de charge ou dans un autre document constitutif de garantie, sans qu'il y ait libération de quelque partie de l'unité foncière affectée en garantie ou de toute autre sûreté. Une telle libération ne libère pas une autre personne de ses obligations aux termes du présent Acte de charge.

20. RENOUVELLEMENT OU MODIFICATION DU PRÊT HYPOTHÉCAIRE

Nous pouvons passer des conventions écrites avec vous (ou avec toute personne à qui l'unité foncière est cédée) afin d'apporter aux conditions du prêt hypothécaire des modifications telles que la prorogation des délais de paiement, le renouvellement ou la prolongation de la durée, la modification du taux d'intérêt, etc. Que l'unité foncière soit grevée ou non par une autre charge au moment de la passation d'une convention, l'enregistrement d'une telle convention modificative n'est pas requis pour maintenir la priorité du rang de l'hypothèque sur tout autre acte enregistré après l'octroi du prêt. Toute référence dans le présent Acte de charge au prêt hypothécaire s'entend du prêt hypothécaire tel que modifié par une telle convention.

21. DISPOSITIONS RELATIVES AUX CONDOMINIUMS

Si l'unité foncière est une partie privative d'un condominium, vous devez respecter les modalités énoncées dans le présent article 21, en plus des autres dispositions du présent Acte de charge (à l'exception de celles qui figurent à l'article 11).

Dans le présent article, la Loi sur les condominiums, y compris toutes dispositions nouvelles ou modifiées de cette loi, est désignée la **Loi**. Les termes utilisés ci-après ont le sens qui leur est attribué dans la Loi, sauf que l'expression **propriété condominiale** a le même sens que le terme «propriété» utilisé dans la Loi.

A. Vous vous engagez à vous conformer aux dispositions de la Loi, ainsi qu'à la déclaration, au règlement administratif et aux règles de l'**association condominiale** visant la propriété condominiale, et à nous fournir, sur demande, des preuves que vous respectez ces exigences.

B. Aux dates d'échéance, vous devez régler à l'association condominiale le montant des dépenses communes. Si, par ailleurs, nous exerçons notre droit de percevoir votre quote-part de ces dépenses, vous devez nous en faire tenir le montant, au reçu d'un avis de notre part à cet effet. Nous pouvons nous fonder sur un relevé en apparence émis par l'association condominiale comme d'une preuve suffisante du montant des dépenses communes et de leur date d'échéance.

C. Vous devez nous transmettre tous avis, évaluations, règlement administratif, règles et états financiers que l'association condominiale peut ou doit vous adresser.

D. Vous devez tenir en bon état les améliorations apportées à l'unité et y effectuer, s'il y a lieu, les réparations nécessaires.

E. **Assurances –** Indépendamment des assurances que doit souscrire l'association, vous êtes tenu :

- i) d'assurer les améliorations apportées par vous-même ou les précédents propriétaires à l'unité;
- ii) de souscrire une assurance pour les risques supplémentaires que nous pouvons vous indiquer;
- iii) de tenir assurés vos droits indivis ou autres dans les immeubles en copropriété (actuels ou futurs, au stade de la construction et par la suite), qui font partie de la propriété condominiale ou des actifs de l'association condominiale, si celle-ci néglige de le faire ou si nous vous donnons des instructions à cet effet;
- iv) de nous céder vos polices d'assurance et (dans les limites permises par la loi) vos droits sur les polices souscrites par l'association;
- v) de nous fournir une preuve que l'assurance est en vigueur, ainsi qu'un justificatif du renouvellement ou du remplacement de l'assurance, dans les quinze jours qui précèdent son expiration ou sa résiliation;
- vi) d'accomplir toutes les formalités nécessaires pour assurer le paiement de l'indemnité prévue.

Les polices d'assurance souscrites par vous (et par l'association) doivent être conformes aux règles suivantes :

– l'unité condominiale doit être assurée contre les dommages ou la destruction causés par l'incendie, et contre tous autres risques stipulés par nous à la pleine valeur de remplacement en dollars canadiens (montant maximum de la couverture);

– la compagnie d'assurances et les modalités de la police doivent avoir notre agrément.

À défaut de votre part d'assurer l'unité condominiale en accord avec les dispositions du présent article 21, nous pouvons souscrire à votre place, sans y être tenus, les assurances requises, et vous devez nous rembourser aussitôt les primes s'y rapportant. En cas de sinistre, vous vous engagez à nous fournir, immédiatement, à vos frais et en votre nom et celui de l'association condominiale, toutes les preuves requises, et à accomplir les formalités nécessaires pour nous permettre d'obtenir le paiement de l'indemnité. Vous devez faire en sorte que l'association condominiale s'acquitte de ses charges et obligations aux termes de la **Loi sur les condominiums** et de son règlement administratif.

Dans les limites permises par la loi, le produit de l'assurance peut, en tout ou en partie :

- a) être affecté à la reconstruction ou à la réparation de l'unité;
- b) vous être versé;
- c) être versé à toute autre personne propriétaire ou qui a déjà été propriétaire de l'unité, selon ce qu'indique le titre de propriété; ou
- d) être affecté, si nous le jugeons à propos, à la réduction d'une partie du montant du prêt, qu'il soit ou non arrivé à échéance.

F. **Frais supplémentaires à votre charge –** Outre les charges afférentes à nos autres droits et recours aux termes de l'Acte de charge, vous devez nous régler sans délai les frais que nous avons engagés du fait :

- de tout règlement administratif, de toute résolution, règle ou autre point (sauf dans le cas où un vote de la majorité présente à l'assemblée est requis);
- de l'exercice de nos droits pour obtenir de l'association ou de tout propriétaire l'adhésion à la loi, à la déclaration, au règlement administratif et aux règles;
- de l'exercice de tout droit de vote dont nous pouvons disposer.

Lorsque nos frais concernent l'unité ainsi que d'autres, vous n'avez à acquitter que les frais applicables à la vôtre.

G. Droits de vote et autres droits – Vous nous autorisez à exercer, aux termes de la Loi, votre droit de vote pour ou contre la question mise aux voix. Nous sommes également autorisés à exercer vos droits aux fins suivantes :

- exiger de l'association qu'elle rachète l'unité et vos droits indivis, lorsque la Loi le permet;
- faire évaluer l'unité et vos droits indivis ou la propriété condominiale par voie d'arbitrage;
- recevoir votre part de l'actif de l'association et le produit de la vente de l'unité et de vos droits indivis ou de la propriété condominiale ou d'une quelconque portion des parties communes.

Vous pouvez exercer vos droits, selon les instructions que nous vous donnons, si nous choisissons de ne pas les exercer. Avant une telle intervention de votre part, vous devez obtenir au préalable notre autorisation écrite. Une telle autorisation est requise même si nous ne disposons pas vis-à-vis de l'association d'un tel droit d'intervention, et même si nous avions déjà pris des mesures pour vous permettre d'exercer ce droit.

Aucun acte que nous accomplissons en application des dispositions du présent article n'a pour effet de nous mettre en possession de la propriété condominiale. Nous ne sommes nullement responsables des actes autorisés par vous que nous pourrions accomplir ou du défaut d'exécution de tels actes. Nous pouvons en tout temps révoquer les dispositions prises par nous pour vous permettre d'exercer vous-même les pouvoirs que vous nous aviez délégués.

H. Nos autres droits en vertu de l'Acte de charge – Vous nous autorisez de plus à :

i) inspecter la propriété condominiale à tout moment jugé raisonnable;

ii) y effectuer des travaux de réfection ou de réparation au cas où elle subirait des dommages;

iii) examiner les registres de l'association;

iv) intervenir au cas où vous négligeriez d'observer les dispositions de la Loi, de la déclaration, du règlement administratif et des règles de l'association.

I. Exigibilité anticipée du montant du prêt – Le montant du prêt peut, à notre gré, devenir payable immédiatement dans les circonstances suivantes :

i) l'association omet de se conformer à la Loi, à la déclaration, au règlement administratif et aux règles de ladite association;

ii) l'association néglige :

- de tenir assurées les unités condominiales et les parties communes conformément aux dispositions de la Loi et aux exigences supplémentaires que nous pouvons fixer;
- d'assurer ses éléments d'actif, sur notre demande et selon nos stipulations;
- de nous fournir, sur demande de notre part, une preuve que l'assurance est en vigueur;
- d'accomplir les formalités requises pour obtenir le paiement de l'indemnité d'assurance;

iii) l'association ne s'acquitte pas, à notre avis, de la gestion de la propriété condominiale et des éléments d'actif comme il convient;

iv) l'association omet de tenir ses éléments d'actif en règle et en bon état de fonctionnement;

v) l'association apporte aux parties communes ou à ses éléments d'actif des modifications importantes sans avoir obtenu au préalable notre autorisation;

vi) les propriétaires ont subi des dommages substantiels et votent en faveur de la dissolution de la propriété condominiale;

vii) la vente de la propriété condominiale ou d'une portion des parties communes est autorisée;

viii) un tribunal ordonne que la propriété condominiale cesse d'être régie par la Loi;

ix) la propriété condominiale cesse d'être régie par la Loi.

Le fait d'avoir voté pour une telle dissolution, vente, ou ordonnance, ou le retrait de la propriété condominiale de l'autorité de la Loi, ou d'y avoir consenti, n'ont aucune incidence sur l'intégrité de nos droits.

J. Dissolution de l'association – Au cas où la propriété condominiale cesserait d'être régie par la Loi :

- les conditions de l'Acte de charge continuent de s'appliquer;
- vous nous autorisez à conclure un accord avec un tiers sur le partage de la propriété condominiale. Nous paierons ou percevrons toute somme requise pour assurer un partage égal et vous nous rembourserez aussitôt toute somme que nous aurons ainsi déboursée. Nous sommes habilités à signer tous documents et à accomplir tous actes nécessaires à la réalisation de ce partage;
- vous devez nous remettre votre part de l'actif de l'Association et le produit de la vente de l'unité et de votre quote-part des parties communes, ou de la propriété condominiale ou d'une portion des parties communes (sauf notification contraire de notre part formulée par écrit), et prendre toutes mesures nécessaires à cette fin;
- les sommes que nous encaissons ainsi (déduction faite de nos frais) peuvent être affectées en réduction du montant du prêt, et remise vous est faite de tout solde résiduel après paiement intégral de notre créance.

22. QUITTANCE

Lorsque nos droits sur l'unité foncière prennent fin, nous vous préparons, comme il nous convient, une quittance complète (Mainlevée de la charge/hypothèque immobilière) ou une confirmation écrite d'une telle quittance (Avis de mainlevée). Vous devez nous accorder un délai suffisant pour la préparation d'un tel document et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement de la quittance, ainsi que tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement de la Mainlevée de la charge/hypothèque immobilière vous incombent.

Lorsque nos droits sur l'unité foncière prennent fin, et si vous nous demandez de céder le prêt hypothécaire, nous vous préparerons une cession de prêt hypothécaire. Vous devez nous accorder un délai suffisant pour la préparation et la signature de la cession de prêt hypothécaire et nous payer les frais courants que nous exigeons pour la préparation, l'examen, la signature et l'enregistrement du document, ainsi que et tous nos frais juridiques et autres que nous avons engagés à cette fin. Les formalités et les frais d'enregistrement vous incombent.

23. INTITULÉS

Les intitulés sont destinés à faciliter la lecture du texte et n'en font pas partie intégrante.

24. PARTIES LIÉES AUX TERMES DE L'ACTE DE CHARGE

Vous convenez de vous conformer à toutes les conditions et obligations stipulées dans l'Acte de charge, lequel lie également vos héritiers, successeurs et ayants droit, nos successeurs et ayants droit et toute personne à qui l'unité foncière aura été transférée. Il engage également tout bénéficiaire d'une cession effectuée à notre initiative. Les personnes qui apposent leur signature sur le présent Acte de charge à titre de débiteurs hypothécaires sont responsables conjointement et individuellement de l'accomplissement des obligations contractées en vertu de l'Acte de charge.

25. EXCLUSION DE CERTAINES DISPOSITIONS LÉGALES

Les obligations énoncées à l'article 7(1) de la Loi portant réforme de l'enregistrement immobilier, et dans les dispositions nouvelles ou modificatives s'y rattachant, ne font pas partie intégrante des obligations contractées aux termes de l'Acte de charge.

26. CAUTIONNEMENT

Dans le présent article, le terme **garant** désigne toute personne ayant signé l'Acte de charge à titre de garant. Le terme **débiteur hypothécaire** désigne la(les) personne(s) qui y a(ont) apposé sa(leur) signature à ce titre et le terme **unité foncière** désigne le bien grevé par l'hypothèque.

En contrepartie du prêt que nous avons octroyé au débiteur hypothécaire, le garant, lequel a apposé sa signature sur l'Acte de charge, garantit le paiement des versements à la charge dudit débiteur hypothécaire (intérêt compris, qu'il y ait ou non modification du taux d'intérêt) et l'observation des ses autres obligations aux termes de l'Acte de charge. Au cas où le débiteur hypothécaire omettrait d'acquitter un versement ou de s'acquitter de quelque obligation aux termes de l'Acte de charge, le garant s'oblige à se substituer à celui-ci pour le règlement de tout versement impayé et l'accomplissement de telles obligations. S'il y a pluralité de garants, ceux-ci sont conjointement et individuellement responsables avec le débiteur hypothécaire de l'ensemble des obligations contractées en vertu de l'Acte de charge.

Sans que la responsabilité du garant soit de quelque façon réduite, sans obtenir son consentement et sans lui donner de préavis, nous pouvons :

- accorder des délais de paiement et des prorogations de la durée du prêt, renouvellements du prêt et de sa durée compris;
- majorer le taux d'intérêt applicable au prêt hypothécaire, pendant la durée initiale et toute durée subséquente;
- détacher de la garantie hypothécaire ou de toute autre sûreté la totalité ou une partie de l'unité foncière;
- prendre à l'égard du débiteur hypothécaire ou d'une autre personne (y compris un garant), de toute sûreté (garantie hypothécaire comprise) ou de l'unité foncière, toute mesure jugée opportune, notamment la libération, la réalisation ou le remplacement de toute sûreté que nous détenons en garantie;
- renoncer à toute condition de l'Acte de charge ou modifier certaines de ses modalités au cours de sa durée initiale ou d'une durée subséquente;

et ce, avant ou après toute demande de paiement faite à quiconque, sans porter atteinte à l'intégrité du cautionnement. Pour obtenir le paiement de notre créance, nous sommes fondés à nous adresser en premier à tout garant plutôt qu'au débiteur hypothécaire ou à toute autre personne (y compris un garant), et à faire valoir nos droits au titre de toute sûreté (l'hypothèque comprise). Les obligations d'un garant engagent également ses successeurs et ayants droit.

27. EXEMPLE DE CALCUL

La formule suivante doit être utilisée pour le calcul de l'intérêt applicable à une somme quelconque pour une période donnée :

$$\text{Principal} \times \frac{\text{Taux d'intérêt}}{100} \times \frac{\text{Nombre de jours durant la périods considérée}}{\text{365 (ou 366 pour une année bissextile)}}$$

On entend par principal le montant sur lequel est calculé l'intérêt et par taux d'intérêt le taux d'intérêt applicable au montant du prêt, aux termes de l'article 3A de la présente Liste des clauses types relatives aux charges hypothécaires.

Lorsqu'il est fait mention dans la présente Liste des clauses types relatives aux charges hypothécaires de l'intérêt payable à compter d'une certaine date, il faut entendre l'intérêt payable à compter de cette date inclusivement. Lorsqu'il est fait mention de l'intérêt payable jusqu'à une certaine date, il faut entendre l'intérêt payable jusqu'au jour qui précède cette date.

EXEMPLE DU CALCUL DE L'INTÉRÊT :

Supposons que vous voulez calculer l'intérêt sur 50 000 $ à compter du 1^er^ mars jusqu'au 1^er^ avril, alors que le taux d'intérêt était de 9 % le 1^er^ mars (il ne s'agit pas d'une année bissextile).

Pour établir le nombre de jours entre le 1^er^ mars et le 1^er^ avril, il faut tenir compte du premier jour mais non du dernier, ce qui donne 31 jours.

La formule pour calculer l'intérêt payable sur le principal à compter du 1^er^ mars jusqu'au 1^er^ avril est la suivante :

$$50\,000\ \$ \times \frac{9}{100} \times \frac{31}{365} = 382{,}19\ \$$$

Dans cet exemple, supposons que le montant de 50 000 $ corresponde au montant du prêt exigible au 1^er^ mars et qu'aucune autre somme n'est exigible à cette date. Si le montant du versement mensuel est de 500 $, il sera alors imputé le 1^er^ avril, conformément à l'article 4D de la présente Liste des clauses types relatives aux charges hypothécaires :

Paiement de l'intérêt pour la période du 1^er^ mars au 1^er^ avril	382,19 $
Remboursement du montant du prêt	117,81 $
	500,00 $

Le 1^er^ avril, le montant du prêt serait donc ramené à 49 882,19 $, montant en principal sur lequel seraient établis les calculs en date du 1^er^ mai.

Au cas où la mensualité aurait été de 375 $, ce montant aurait été imputé intégralement au paiement de l'intérêt et non au remboursement du prêt, la différence de 7,19 $ étant considérée comme de l'intérêt différé, conformément à l'article 3D de la présente Liste des clauses types relatives aux charges hypothécaires. Le 1^er^ mai, le calcul de l'intérêt aurait porté sur le montant du prêt (50 000 $) et de l'intérêt différé (7,19 $).

28. TAUX CORRESPONDANTS

Aux termes de l'Acte de charge, le taux d'intérêt est applicable au calcul mensuel et non d'avance de l'intérêt sur le montant du prêt. Le tableau ci-dessous indique les taux d'intérêt correspondants, lorsque le calcul de l'intérêt se fait semestriellement et non d'avance.

Taux d'intérêt annuel calculé mensuellement, non d'avance (%)	Taux d'intérêt annuel équivalent, calculé semestriellement, non d'avance (%)	Taux d'intérêt annuel calculé mensuellement, non d'avance (%)	Taux d'intérêt annuel équivalent, calculé semestriellement, non d'avance (%)
2,0000	2,00835	11,000	11,25519
2,1250	2,13443	11,125	11,38605
2,2500	2,26057	11,250	11,51699
2,3750	2,38678	11,375	11,64800
2,5000	2,51306	11,500	11,77907
2,6250	2,63940	11,625	11,91021
2,7500	2,76580	11,750	12,04141
2,8750	2,89228	11,875	12,17269
3,000	3,01881	12,000	12,30403
3,125	3,14542	12,125	12,43544
3,250	3,27208	12,250	12,56692
3,375	3,39882	12,375	12,69846
3,500	3,52562	12,500	12,83008
3,625	3,65249	12,625	12,96176
3,750	3,77942	12,750	13,09351
3,875	3,90642	12,875	13,22533
4,000	4,03348	13,000	13,35721
4,125	4,16061	13,125	13,48916
4,250	4,28781	13,250	13,62118
4,375	4,41507	13,375	13,75327
4,500	4,54240	13,500	13,88543
4,625	4,66979	13,625	14,01766
4,750	4,79725	13,750	14,14995
4,875	4,92478	13,875	14,28231
5,000	5,05237	14,000	14,41474
5,125	5,18003	14,125	14,54724
5,250	5,30776	14,250	14,67981
5,375	5,43555	14,375	14,81244
5,500	5,56341	14,500	14,94514
5,625	5,69133	14,625	15,07791
5,750	5,81932	14,750	15,21075
5,875	5,94738	14,875	15,34366
6,000	6,07550	15,000	15,47664
6,125	6,20369	15,125	15,60968
6,250	6,33195	15,250	15,74279
6,375	6,46027	15,375	15,87597
6,500	6,58866	15,500	16,00922
6,625	6,71711	15,625	16,14254
6,750	6,84564	15,750	16,27593
6,875	6,97423	15,875	16,40939
7,000	7,10288	16,000	16,54291
7,125	7,23160	16,125	16,67650
7,250	7,36039	16,250	16,81016
7,375	7,48925	16,375	16,94389
7,500	7,61817	16,500	17,07769
7,625	7,74716	16,625	17,21156
7,750	7,87621	16,750	17,34550
7,875	8,00534	16,875	17,47950
8,000	8,13452	17,000	17,61358
8,125	8,26378	17,125	17,74772
8,250	8,39310	17,250	17,88193
8,375	8,52249	17,375	18,01621
8,500	8,65195	17,500	18,15056
8,625	8,78147	17,625	18,28498
8,750	8,91106	17,750	18,41947
8,875	9,04072	17,875	18,55403
9,000	9,17045	18,000	18,68865
9,125	9,30024	18,125	18,82335
9,250	9,43010	18,250	18,95811
9,375	9,56002	18,375	19,09295
9,500	9,69002	18,500	19,22785
9,625	9,82008	18,625	19,36282
9,750	9,95021	18,750	19,49786
9,875	10,08040	18,875	19,63297
10,000	10,21066	19,000	19,76815
10,125	10,34099	19,125	19,90340
10,250	10,47139	19,250	20,03872
10,375	10,60185	19,375	20,17411
10,500	10,73238	19,500	20,30956
10,625	10,86298	19,625	20,44509
10,750	10,99365	19,750	20,58068
10,875	11,12438	19,875	20,71635
		20,000	20,85208

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200221 Cote

MC Marque de commerce de La Banque de Nouvelle-Écosse. La Société hypothécaire Scotia est une utilisatrice autorisée de cette marque.
® Marque déposée de La Banque de Nouvelle-Écosse.

Dated this 23rd day of July, 2002

Charles Lambert
Managing Director
Scotia Mortgage Corporation
I have the authority to bind the corporation

CLAUSES TYPES DE CHARGE
Filing No. 200222 Cote
Filing Date July 30, 2002 Date de Dépôt
Page 1 of/de Twenty-One (21) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by
LONDON GUARANTEE INSURANCE COMPANY

Filing Date: July 30, 2002
Filing number: 200222.

The following Set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of The Land Registration Reform Act R.S.O. 1990, as amended , except to the extent that the provisions of this set of standard charge terms are modified by any additions, amendments or deletions expressly provided for or stipulated in such charge, or in any schedule(s) annexed thereto.

DEFINITIONS

In addition to any other words, terms or phrases specifically defined elsewhere in these standard charge terms, the words, terms or phrases set out below shall have the meanings respectively ascribed to them as follows, whenever same are used or referred to in these standard charge terms, namely:

"Charge" shall mean the charge/mortgage of land which specifically incorporates these standard charge terms by expressly referencing the filing number of same therein, together with any schedules attached thereto, and as may be amended, extended or renewed from time to time with the written consent of the Chargee;

"Charged Premises" shall have the meaning as defined in paragraph 2 of these standard charge terms;

"Chargee" shall mean London Guarantee Insurance Company and/or any other mortgagee(s) or chargee(s) expressly described or defined as such in the Charge;

"Chargor" shall mean the mortgagor(s) or chargor(s) described or defined as such in the Charge;

"Claims" shall have the meaning as defined in paragraph 5(h) of these standard charge terms;

"Commitment Letter" shall mean the commitment letter issued by or on behalf of the Chargee, and duly accepted by or on behalf of the Chargor, as may be amended from time to time by the mutual agreement of both the Chargor and the Chargee;

"Condominium Corporation" shall have the meaning as defined in paragraph 29(a) of these standard charge terms;

"Condominium Project" shall mean the residential condominium being developed by or on behalf of the Chargor on the Property (as such term is hereinafter defined), or on any portion thereof;

"Construction Mortgage" shall have the meaning as defined in paragraph 24 of these standard charge terms;

"Construction Mortgagee" shall have the meaning as defined in paragraph 24 of these standard charge terms;

"E-REG" shall mean the **"Teraview Electronic Registration System"** referred to in paragraph 28 of these standard charge terms;

"Indebtedness" shall have the meaning as defined in paragraph 1 (a) of these standard charge terms;

"Indemnity Agreement" shall mean the indemnity agreement entered into by the Chargor as the principal, with or without the Chargor and/or any other party or parties described therein as the indemnitor(s), to and in favour of the Chargee as the surety, as may be amended from time to time by the mutual agreement of the Chargee and the Chargor, and all other indemnitors, as the case may be;

"Leases" shall have the meaning as defined in paragraph 2(b) of these standard charge terms;

"ONHWP" shall mean the Ontario New Home Warranty Program, or any successor institution, in whose favour the Chargee has issued (or intends to issue) one or more warranty bonds in respect of the Condominium Project (or any portion thereof), for and on behalf of the Chargor;

"Permitted Encumbrances" shall mean those interests, charges, agreements, instruments and/or encumbrances in respect of the Property as are more particularly listed below, and any others which are approved by the Chargee and expressly described in one or more schedules to the Charge, namely;

a) inchoate liens for realty taxes, utilities and local improvement charges affecting the Property, and all other charges pursuant to any applicable site plan or development agreement(s) in respect of the Property, provided any or all of the foregoing are not yet due and payable;

b) the reservations, limitations, provisos and conditions expressed in any original grant(s) of the Property (or any portion thereof) from the Crown, as may be varied by statute, provided same have been complied with;

c) any and all restrictions, easements, rights of way and other similar rights and agreements affecting the Property (including without limitation, any easements for the installation, maintenance and/or repair of sewers, drains, gas and water mains, hydro-electricity, telephone and/or cable television conduits, wires and cables, and all appurtenances thereto) which, in the opinion of the Chargee, do not (and will not) individually, or in the aggregate, materially impair the development of the Condominium Project on the Property or the Chargee's security with respect to same, or the value or use of the Property, and provided further that the obligations, if any, of the Chargor thereunder (or in connection therewith) are being complied with;

d) zoning and building restrictions, and municipal by-laws, ordinances and regulations, provided same are being complied with;

e) minor title defects which do not, in the opinion of the Chargee's counsel, materially effect the marketability of title to the Property;

f) any and all site plan agreements, condominium development agreements, servicing agreements and/or density bonus agreements entered into with the local municipality or regional authority and/or any other governmental authorities or agencies pertaining to the development of the Condominium Project on the Property, together with any and all amending agreements (or counterpart agreements or assumption agreements) with respect thereto, and any and all agreements of like kind as deemed necessary or desirable by any governmental authorities or agencies and/or any public or private utility supplier(s) [ie for the installation, maintenance and/or repair of any utilities, telephone, cable television and/or any other requisite service(s) to the Property] in connection with the development of the Condominium Project on the Property (or any portion thereof), provided that said agreements do not (and will not), in the opinion of the Chargee, either individually or collectively, materially impair the Chargee's security or the value or use of the Property, and provided further that the obligations thereunder have been (or are being) complied with, or satisfactory security to ensure compliance therewith has been posted with the relevant governmental authorities, agencies or utility suppliers (as the case may be);

g) the declaration and by-laws of the residential condominium to be created by the Chargor on the Property (or any portion thereof), together with any mutual easement and cost-sharing agreement(s) or reciprocal agreement(s) to be registered on title to the Property pertaining to the mutual use, maintenance, repair and/or cost-sharing of any amenities, services and/or facilities intended to be shared between or amongst the Condominium Corporation and any existing or future adjacent or neighbouring condominium corporation(s), as well as any counterpart agreement(s), amending agreement(s) and/or assumption agreement(s) in respect of said reciprocal agreement(s);

h) an easement/servicing agreement entered into with the local or regional hydro-electric commission (or any other applicable hydro-electricity supplier selected by the Chargor), for the provision of hydro-electric service to the Condominium Project;

i) an easement/servicing agreement entered into with the local or regional cable television supplier (or any other applicable cable television supplier selected by the Chargor), for the provision of cable television service to the Condominium Project;

j) an easement/servicing agreement entered into with the local or regional gas supplier (or any other applicable gas supplier selected by the Chargor), for the provision of gas service to the Condominium Project;

k) any and all outstanding agreements of purchase and sale between the Chargor and the respective purchasers of units in the Condominium Project, provided that all of such agreements of purchase and sale are expressly stipulated to be subordinate and postponed to the Charge and the Chargee's security interests thereunder, and provided further that none of such agreements of purchase and sale are registered against the title to the Property or any portion thereof, either prior to or subsequent to the registration of the Charge; and

l) any and all purchase money security interests obtained and/or evidenced by one or more financing statements registered under or pursuant to The Personal Property Security Act R.S.O. 1990, as amended, by or in favour of any party or parties respecting any equipment, furnishings and/or appliances installed (or to be installed) within the Condominium Project or any portion thereof.

"**Principal Sum**" shall have the meaning as defined in paragraph 1(a) of these standard charge terms;

"**Property**" shall have the meaning as defined in paragraph 2(a) of these standard charge terms;

"**Receiver**" shall have the meaning as defined in paragraph 14 of these standard charge terms;

"**Rents**" shall have the meaning as defined in paragraph 2(b) of these standard charge terms; and

"**Security"** shall have the meaning as defined in paragraph 2 of these standard charge terms.

THE INDEBTEDNESS SECURED AND THE INTEREST RATE CHARGED

1. (a) For value received, the Chargor hereby acknowledges and agrees that the Charge is being given to the Chargee as continuing collateral security for the payment of all amounts from time to time due and payable (or becoming due and payable) by the Chargor to the Chargee under or pursuant to the Indemnity Agreement, in Canadian currency (hereinafter collectively referred to as the "**Indebtedness**" or the "**Principal Sum**"). The Charge is also being given in addition to, and not in substitution for, any other security or securities now or hereafter held by the Chargee for the Indebtedness. The Principal Sum shall become due and payable on the thirtieth (30^{th}) day following the date of the Chargee's demand for payment of same or any portion thereof, at the Chargee's office address or address for service so indicated in the Charge, and the Chargor shall pay interest on the Principal Sum, and on all other amounts added thereto from time to time in accordance with the provisions hereof (or on so much thereof as may be outstanding and unpaid from time to time), computed and accruing from and after the date of the Chargee's demand for payment thereof, and both before and after default, as well as before and after judgment, at the rate of interest more particularly stipulated in the Charge [provided however that if no interest rate is expressly stipulated in the Charge, then the applicable rate of interest shall be deemed and construed, for all purposes, to be eighteen (18%) percent per annum], with such interest to be calculated monthly not in advance, and payable on the thirtieth (30^{th}) day following the date of the Chargee's demand for payment, and any unpaid interest shall be added to the outstanding Indebtedness and same shall collectively bear interest in the same manner and at the same rate, with interest on overdue interest to be calculated and compounded monthly at the same rate, until such time as the entire Principal Sum is paid in full to the Chargee.

(b) In addition to (and without limiting) the foregoing, it is acknowledged and agreed that the Charge is being given to the Chargee as continuing collateral security for the payment of all monies, and the performance of all obligations, of and by the Chargor pursuant to the terms and provisions of the Commitment Letter. The provisions of the Commitment Letter shall be deemed and construed to be incorporated in the Charge by reference, and shall form an integral part of the Charge. In the event of any conflict or inconsistency between any of the provisions of the Commitment Letter and the provisions of the Charge, then the provisions of the Commitment Letter shall prevail.

SECURITY

2. As security for the due payment of all monies payable under the Charge, the Chargor hereby:

(a) mortgages and charges, as and by way of a fixed and specific mortgage and charge, to and in favour of the Chargee and its successors and assigns, the lands and premises described in (and correspondingly encumbered by) the Charge, and each and every building, structure, installation and/or improvement now or hereafter situate or erected thereon or therein, including all plant, equipment, apparatus, machinery and fixtures (of every nature or kind whatsoever) now or hereafter situate thereon or affixed thereto (all of which is hereinafter collectively referred to as the "**Property**" or the "**Charged Premises**"); and

(b) assigns, to and in favour of the Chargee and its successors and assigns, all agreements to lease and all leases, both present and future, together with any and all extensions or renewals thereof (hereinafter collectively referred to as the "**Leases**") now or hereafter relating to the Property (or any portion thereof), including all rents and all other monies now or hereafter payable under any or all of the Leases (hereinafter collectively referred to as the "**Rents**"), together with the benefit of all covenants, stipulations and provisions contained in the Leases, and all guarantees with respect to the payment and/or performance of any covenants in respect of the Leases, on the express understanding and agreement that unless and until there is an event of default under the Charge, and the Chargee thereafter delivers written notice to the Chargor to such effect, the Chargor shall be entitled to deal with the Rents and the Leases in the ordinary course of business, in the same fashion or manner as a prudent owner or landlord would so do, free and clear of the security constituted by the Charge;

with such mortgage and charge of the Property, and such assignment of the Rents and Leases, being hereinafter collectively referred to as the "**Security**".

TERM AND DEFEASANCE

3. The Charge shall be void, and of no further force or effect, upon the payment to the Chargee of the entire Indebtedness, and all other sums of money now or hereafter secured by the Charge (or to which the Chargee may be entitled by virtue of the Charge or these standard charge terms), together with all interest earned or accrued thereon at the aforementioned rate of interest, and together with the payment by the Chargor of all taxes and performance of statute labour, and the observance and performance of all covenants, provisos and conditions contained in the Charge and set forth in these standard charge terms.

FURTHER ASSURANCES

4. The Chargor hereby covenants and agrees that it will at all times do, execute, acknowledge and deliver (or cause to be done, executed, acknowledged and delivered) all such further acts, pledges, mortgages, hypothecs, charges, assignments and assurances, at law or in equity, as the Chargee may reasonably require from time to time for the better assuring, mortgaging, hypothecating, charging, assigning and confirming the Security unto (and in favour of) the Chargee, and for perfecting the security interests created by the Charge in the undertaking, property and assets of the Chargor so mortgaged and charged by virtue of the provisions of the Charge and these standard charge terms, or intended so to be, or which the Chargor may hereafter become bound to mortgage, hypothecate, assign and/or charge to and in favour of the Chargee, and for the better accomplishing and effectuating of the Charge.

CHARGOR'S COVENANTS

5. The Chargor covenants and agrees with the Chargee that:

(a) The Chargor shall keep the Property in good condition and repair, such that the value of the Property is not materially adversely affected in any way.

(b) The Chargor shall pay the principal, interest and all other monies stipulated to be due and owing under the Indemnity Agreement and secured by the Charge, and shall pay (or cause to be paid) as and when they fall due, all realty taxes, utility charges and similar assessments (whether local, municipal, provincial, federal or otherwise) which are now (or may hereafter be) imposed, charged or levied against the Property (or any portion thereof), and the Chargor further covenants and agrees to deliver to the Chargee, on an annual basis, evidence of the Chargor's payment of all such realty taxes, utility charges and similar assessments, in form and substance satisfactory to the Chargee.

(c) The Chargor shall comply with all governmental, statutory and/or regulatory requirements pertaining to the Property, and with the provisions of all Permitted Encumbrances affecting the Property.

(d) The Chargor shall permit the Chargee and its designated agents or representatives, whenever the Chargee deems it necessary or desirable, to enter upon and inspect the Property and all buildings and structures erected thereon.

(e) The Chargor shall, at its own expense, forthwith insure the Property (if not already so insured), and during the continuance of the Charge shall continue to keep the Property insured, in the name of the Chargor, with loss payable to the Chargee as its interest may appear, with such insurance being in such amounts as the Chargee may from time to time specify, but in any event in an amount not less than the full insurable replacement value thereof on a completed value basis, in lawful money of Canada, with a company or companies and by a policy or policies of insurance approved by the Chargee, against all risks of direct physical loss, with only such exclusions to coverage as the Chargee may approve. In addition, but without limiting the generality of the foregoing, the Chargor shall maintain rental loss insurance, boiler and pressure vessel insurance (if applicable), and insurance against any liability which may be imposed or claimed against the Chargor and/or the Chargee for damages, loss or injury (including death) occasioned to any persons, and for damages to (and/or loss of) the property of any person(s), in such amounts as will, in the reasonable opinion of the Chargee, adequately protect the Chargor and the Chargee against such liabilities and losses. If the Property has no insurable structures thereon, then such insurance will not be required. Such insurance shall, during the course of construction, be in a builder's "all risk" course of construction form. Such insurance coverage shall either be without any co-insurance requirement, or shall have a stated or stipulated amount of co-insurance clause, but in no case shall the insurance coverage be for an amount less than the aggregate of the Principal Sum secured by the Charge, together with the principal amount of any permitted prior encumbrances. The Chargor shall deliver to the Chargee, forthwith upon the latter's request, copies of all insurance binders and policies in effect with respect to the Property, together with evidence of the payment of all insurance premiums payable in connection therewith, in form and substance satisfactory to the Chargee. Evidence of the continuation of all such insurance having been effected shall also be produced to the Chargee at least fifteen (15) days prior to the expiration thereof; otherwise the Chargee may procure such insurance coverage on its own and charge the premiums paid therefor to the Chargor, together with interest accruing thereon at the rate provided for or stipulated in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms), and the same shall be payable by the Chargor to the Chargee on the thirtieth (30th) day following the date of the Chargee's demand for payment thereof, and shall also be deemed and construed to be secured by the Charge against the Property. It is further agreed that the Chargee may at any time require any insurance of the buildings situate on the Property to be cancelled, and new insurance effected with an insurance company selected by the Chargee, and also on the Chargee's own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be reimbursed and payable by the Chargor on the thirtieth (30th) day following the date of the Chargee's demand for payment of same, together with interest accruing thereon at the rate provided for or stipulated in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms), and all such amounts shall likewise be deemed to be secured by the Charge against the Property. All policies of insurance required to be obtained and maintained by the Chargor shall expressly provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada, which shall be attached to (or incorporated within) each and every policy of insurance so procured.

(f) The Chargor shall maintain at all times throughout the duration of the Charge its corporate existence, and furthermore shall promptly provide written notice to the Chargee of any default respecting any obligations or liabilities of the Chargor arising under the Charge and/or any of the Permitted Encumbrances.

(g) The Chargor shall promptly pay, as and when due, the full amount of:

- (i) all liens, charges and encumbrances upon or against the Charged Premises;
- (ii) all reasonable charges or expenses of the Chargee in inspecting, protecting or valuating the Property at any time, after realization proceedings have been commenced by or on behalf of the Chargee; and
- (iii) all costs, fees and disbursements incurred by the Chargee and secured by the Charge.

(h) The Chargor shall pay (or cause to be paid) as soon as the same are due, all claims and demands of contractors and labourers, and all wages, salaries, holiday pay and worker's compensation assessments, and all other charges of any nature or kind (hereinafter collectively referred to as the "**Claims**"), which if unpaid might constitute (or give rise to) a construction lien or similar lien or charge against the Property having priority over (or ranking *pari passu* with) the Charge, or any future advance(s) to be made under or otherwise secured by the Charge, and the Chargor shall from time to time, and on demand, provide the Chargee with such books, payrolls, or other records, receipts, certificates and/or declarations as the Chargee may deem necessary in order to satisfy itself that the Claims have been paid as soon as the same are due.

(i) The Chargor shall forthwith on the happening of any loss or damage, furnish at its own expense, all necessary proofs, and do all necessary acts to enable the Chargee to obtain payment of all applicable insurance monies; and any insurance monies that the Chargor may be entitled to receive shall, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises (or any portion thereof), or alternatively may be applied, in the sole discretion of the Chargee, to repay the Indebtedness in whole or in part, or to repay any other monies owing to the Chargee or otherwise secured under the Charge, whether or not then due, notwithstanding any law, equity or statute to the contrary, on the express understanding that all rights and benefits of the Chargor to such insurance proceeds (to the extent that any portion of the Indebtedness is still outstanding, or any other monies are due and owing to the Chargee, or otherwise secured by the Charge) are hereby expressly waived.

(j) The Chargor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the Charged Premises, or any part thereof, shall notify the Chargee of such proceedings. If the Charged Premises, or any part thereof, is taken or damaged in or by such expropriation proceedings or otherwise, then the award or compensation payable to the Chargor is hereby charged and assigned to the Chargee, and shall correspondingly be paid directly to the Chargee in the place and stead of the Chargor, in order to reduce, *pro tanto*, the outstanding Indebtedness secured by the Charge.

(k) The Chargor, within ten (10) days after receipt of the Chargee's request from time to time to do so, shall (at no cost or charge to the Chargee) certify and confirm to the Chargee (or to any person designated by the Chargee) the precise amount of the Indebtedness secured or otherwise due under the Charge as at the date of the certification, together with the date to which interest accruing thereon has been paid, and that the Chargor has no right of set-off or equitable claim against the monies due or payable to the Chargee so secured under or by the Charge (or if it has such a right or claim of set-off, the amount thereof), and that there have been no amendments to the Charge (or, if there have been any such amendments, the details specifying same). Likewise the Chargee, within ten (10) days after receipt of the Chargor's request from time to time to do so, shall (at no cost or charge to the Chargor) provide a mortgage statement to the Chargor (or to any person so designated by the Chargor) certifying or confirming each of the foregoing matters.

(l) The Chargor shall obey (or cause to be obeyed) all laws, rules, regulations and by-laws, whether federal, provincial or municipal, which in any way relate to the Charged Premises (or any portion thereof), or the use of same.

(m) All representations and warranties given by the Chargor to the Chargee in connection with the Indemnity Agreement and/or the Charge shall remain true, and be of full force and effect, throughout the entire term or duration of the Charge.

(n) The Chargor shall keep the Charged Premises in good condition and repair, according to the nature and description of same as a prudent owner would so do, and the Chargee and its designated agents or representatives may, whenever the Chargee deems it necessary or appropriate, enter upon and inspect the Charged Premises (or any portion thereof) and all buildings and structures erected thereon, and make such repairs thereto as it deems necessary, and the reasonable cost of such inspection and repairs, together with interest accruing thereon at the rate prescribed by the Charge (or at the rate of interest deemed to be applicable pursuant to these standard charge terms), shall be added to the Indebtedness secured by the Charge, and shall be payable on the thirtieth (30th) day following the date of the Chargee's demand for payment of same, and shall also be considered a charge against the Property having priority to all claims and encumbrances made or arising subsequent to the registration of the Charge. If the Chargor shall neglect to keep the Charged Premises in good condition and repair, or shall commit or permit any act of waste on the Charged Premises (as to which the Chargee shall be the sole judge), or if the Chargor is in default of any of the covenants, provisos, agreements or conditions contained in the Charge (or in any prior mortgage or charge to which the Charge is subordinate), then all monies secured by the Charge shall, at the option of the Chargee, become due and payable on the thirtieth (30th) day following the date of the Chargee's demand for payment of same, and in default of such payment interest shall continue to accrue thereon, and the Chargee's powers of entering upon and leasing or selling the Charged Premises or any portion thereof (and all other remedies contained in the Charge in favour of the Chargee) may thereafter be exercised forthwith.

(o) Save and except for the Permitted Encumbrances, the Chargor shall not further encumber the Property or any portion thereof without the Chargee's prior written consent, which consent shall not be unreasonably withheld or unduly delayed.

(p) The Chargor shall comply fully with the terms and provisions of the Permitted Encumbrances, and shall keep same in good standing at all times, and shall fully indemnify and save the Chargee harmless from and against all costs, claims, damages and/or liabilities which the Chargee may suffer or incur as a result of the Chargor's failure to do so.

(q) In the event that the Chargor commits an act of default under (or pursuant to the provisions contained in) any charge, agreement or encumbrance affecting (or registered against) the Charged Premises ranking *pari passu* with or in priority to this Charge, then the Chargor shall be deemed to have committed a breach or an act of default under the Charge, whereupon the Chargee shall be entitled to exercise and pursue any and all rights, remedies and powers against the Chargor and/or the Charged Premises (or any portion thereof) arising under or by virtue of the Charge, at law or in equity.

CHARGE EFFECTIVE WITHOUT ADVANCES THEREUNDER

6. Neither the preparation, execution nor registration of the Charge shall bind the Chargee to advance any monies secured by the Charge, nor shall the advance of a part of the monies thereby secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the Charged Premises in favour of the Chargee shall take effect forthwith upon the execution and delivery of the Charge by the Chargor, and the Chargee's expenses incurred in connection with the examination of the title to the Charged Premises and/or in procuring any appraisal of the value of the Charged Premises shall nevertheless be secured by the Charge, and such monies together with interest accruing thereon at the rate stipulated in the Charge (or deemed to be applicable pursuant to these standard charge terms) shall correspondingly be payable by the Chargor to the Chargee on the thirtieth (30th) day following the date of the Chargee's demand for payment of same, and in default of the Chargor's payment thereof, the Chargee's powers of entering upon and leasing or selling the Charged Premises or any portion thereof [and all other rights, remedies and powers against the Chargor and/or the Charged Premises (or any portion thereof) arising under or by virtue of the Charge in favour of the Chargee] may thereafter be exercised forthwith.

OUTSTANDING REALTY TAXES

7. The Chargee may, at its option, deduct from any advance of monies secured by the Charge, an amount sufficient to pay any realty taxes which have become due and payable as at the date of such advance, or alternatively may pay the whole or any portion of the outstanding realty taxes assessed against the Property at any time or times, and all amounts so expended by the Chargee shall automatically be added to the Indebtedness, and shall likewise be secured by the Charge. The Chargor shall deliver to the Chargee, forthwith upon the latter's request, copies of all realty tax bills and other notices of assessment affecting the imposition of realty taxes against the Property, together with evidence of the payment of same in form and substance satisfactory to the Chargee.

ASSIGNMENT OF CHARGE BY CHARGEE

8. The Chargee may, without notice to the Chargor and without the consent of the Chargor, assign the Charge in whole or in part, together with the benefit of all covenants of the Chargor thereunder, provided that the security and obligations to which the Charge is collateral shall likewise be assigned by the Chargee to the same assignee.

DISCRETIONARY POWERS OF THE CHARGEE

9. The Chargee may, at its sole, unfettered and unreviewable discretion, and without notice to the Chargor and without the consent of the Chargor, enter into an agreement with anyone who has assumed the Charge, to grant an extension of time; or to change the rate of interest applicable thereto; or to alter (in any way) the terms of payment of the Charge; or to take any additional security; or to waive the performance of any covenant(s) contained in the Charge; and may release the Chargor (or anyone claiming under the Chargor) or any other person(s) liable under the Charge; or may surrender, release or abandon (or omit to perfect or enforce) any security, remedy or proceeding which the Chargee may now or hereafter hold or have; and may take, acquire or discharge, either with or without payment, part or all of the Property and/or the Security; and may apply all monies received from the Chargor or others, or from any other security, upon such part of the Indebtedness secured by the Charge as the Chargee may think best, without prejudice to (and without in any way limiting or lessening) the liability of the Chargor and/or any guarantor(s), indemnitor(s) or other person(s) liable to the Chargee for the payment thereof. The Chargee shall incur no liability to the Chargor, or to any other person, by reason of any of the foregoing actions, arrangements or circumstances, and the liability of the Chargor and/or any guarantor(s), indemnitor(s) or other person(s) liable for payment of the Indebtedness to the Chargee shall continue in full force as long as any portion of the Indebtedness remains due and owing to the Chargee, but the Chargee shall not be bound to exhaust its rights, remedies and/or recourse against the Chargor, or against any other parties, or against the Property or the Security, before being entitled to demand and pursue immediate payment of the amounts secured by (or due and owing under) the Charge from any guarantor(s), indemnitor(s) or other person(s) liable for payment thereof.

EXCLUSION OF IMPLIED COVENANTS

10. (a) The implied covenants deemed to be included in a mortgage or charge under subsection 7(1) of The Land Registration Reform Act R.S.O. 1990, as amended, are hereby expressly excluded from these standard charge terms, and the previous existing covenants contained in The Short Forms of Mortgages Act R.S.O. 1980, Ch. 474 (which has since been abolished) shall be deemed and construed to be incorporated herein by reference. Without limiting the generality of the foregoing, it is understood and agreed that if any of the forms of words or phrases contained in these standard charge terms are also contained in Column One of Schedule "B" to The Short Forms of Mortgages Act R.S.O. 1980, Ch. 474, and distinguished by a number therein, then these standard charge terms shall be deemed to include (and shall have the same effect as if these standard charge terms contained) the form of words in Column Two of Schedule "B" to the said Act, distinguished by the same number, and accordingly the Charge and these standard charge terms shall be interpreted and construed as if The Short Forms of Mortgages Act R.S.O. 1980, Ch. 474, were still in full force and effect.

(b) The Chargor covenants, warrants and represents that it has a good, marketable and valid registered title to the Property, in fee simple, subject only to the Permitted Encumbrances, and has the good right, full power and lawful and absolute authority to charge the Property to and in favour of the Chargee in accordance with the terms and provisions set forth in the Charge and these standard charge terms, and to execute and deliver the Charge to the Chargee upon the covenants contained in the Charge and in these standard charge terms, and that upon the Chargor's execution and delivery of the Charge to the Chargee (and the corresponding registration of the Charge against the Property by or on behalf of the Chargee) the Chargee shall thereupon obtain and have a valid charge and security interest by virtue of the Charge that is binding upon and enforceable against the Chargor and the Property.

(c) On default, the Chargee shall have quiet possession of the Property, subject however to the Permitted Encumbrances but nevertheless free from all other claims, charges, interests and/or encumbrances whatsoever.

(d) The Chargor has done (and will do) no act to encumber the Property, save and except for the Permitted Encumbrances.

DISTRESS

11. The Chargee may distrain for arrears of interest, together with all costs, charges and expenses incurred in connection with (or otherwise attendant upon) any exercise of distraint undertaken by or on behalf of the Chargee upon the Chargor's default, as in like cases of distress for rent. The Chargee may also distrain for arrears of principal, in the same manner and to the same extent as if the same were arrears of interest.

SECURITY WITH RESPECT TO RENTS AND LEASES

12. (a) Notwithstanding anything hereinbefore or hereinafter provided to the contrary, it is expressly understood and agreed that the Chargor's assignment of the Rents and the Leases to and in favour of the Chargee pursuant to the Charge, as additional collateral security for the payment and/or performance of the Chargor's obligations to the Chargee arising under the Indemnity Agreement shall not, under any circumstances, be deemed or construed to create any privity of estate between any or all of the tenants in respect of any of the Leases, and the Chargee as the assignee thereof, nor shall said assignment oblige the Chargee to perform or fulfill (or otherwise make the Chargee liable or responsible for performing or fulfilling) any of the covenants or obligations of the Chargor arising under or in connection with any of the Leases, in its capacity as the landlord thereunder. Furthermore, nothing contained herein shall be deemed or construed to have the effect of making the Chargee responsible for the collection of the Rents or any part thereof, or for the performance of any covenants, terms and/or conditions (either by the landlord or by the tenant) contained in any of the Leases, and the Chargee shall not, by virtue of the Charge or these standard charge terms, be deemed or construed to be a mortgagee or chargee in possession of the Property or any portion thereof, and under no circumstances shall the Charge and/or the assignment of the Rents and the Leases thereunder, in and of themselves, constitute or create the relationship of landlord and tenant between the Chargee and any tenant(s) in respect of any of the Leases.

(b) If the Chargee, in the course of realizing on its security under the Charge consequent upon a default by the Chargor, takes any steps to attorn the Rents or any portion thereof, then the Chargee shall be liable to account for only such monies as shall actually come into its hands by virtue thereof, and such monies when received by the Chargee shall, at the sole option of the Chargee, be applied on account of the outstanding Indebtedness of the Chargor to the Chargee secured by the Charge, or be held as cash-collateral security for the outstanding obligations and/or liabilities of the Chargor to the Chargee, or otherwise applied on account of the monies from time to time due under the primary instrument(s) of indebtedness collaterally secured by the Charge.

(c) The Chargor covenants and agrees that no rent has been or will be paid by any tenant(s) or other person(s) in possession of any portion of the Property more than two months in advance, and that the payment of any Rents owing under any of the Leases shall not be waived, released, reduced, discounted or otherwise discharged or compromised by the Chargor, except in the ordinary course of the Chargor's business acting as a prudent landlord, and none of the terms and provisions of the Leases shall be altered, waived or discharged (nor shall any of the Leases be terminated at the instance of the Chargor prior to their respective terms), except in the ordinary course of the Chargor's business acting as a prudent landlord. Save as otherwise hereinbefore provided, nothing herein contained shall be deemed or construed to be a consent on the part of the Chargee to the payment of any Rents in advance by any of the tenants under the Leases so assigned, nor to an alteration of any of the terms of the Leases, neither of which shall be undertaken except in the ordinary course of the Chargor's business acting as a prudent landlord, without the prior consent of the Chargee, whether or not a demand by the Chargee for payment or performance by the Chargor has occurred under the Charge.

(d) The Chargee may waive any default committed by the Chargor under the Charge, or any breach of covenant with respect to the Charge, and shall not be bound to serve any notice upon any of the tenants in respect of any of the Leases upon the happening of any default or breach of covenant by the Chargor, but any such waiver shall not extend to any subsequent default or breach committed by the Chargor.

(e) Notwithstanding the assignment by the Chargor of the Rents and the Leases to and in favour of the Chargee pursuant to the Charge, it is understood and agreed that until a default or breach has been committed by the Chargor under the Charge, the Chargor shall be entitled to receive the Rents, and shall not be liable to account therefor to the Chargee; provided however that at any time after any default or breach of covenant has been committed by the Chargor under the Charge, or at any time after the Chargee's demand for payment of the Indebtedness or any portion thereof (and/or any other monies secured by the Charge by virtue of these standard charge terms), or at any time after demand by the Chargee for performance by the Chargor has been made under the Charge, the Chargee shall then be entitled to serve notice of demand for payment of the Rents falling due subsequent to the date of service of said notice upon any or all of the tenants in respect of the Leases, and shall correspondingly be entitled to collect any and all of the Rents falling due subsequent to the date of service of said notice. Any payment(s) of the Rents (or any portion thereof) by any of the Chargor's tenants to the Chargee pursuant to the aforementioned notice of demand for payment issued by the Chargee shall not be considered or construed as a breach of the Leases by the tenants making such payments to the Chargee. Despite any default or breach committed by the Chargor under the Charge, and irrespective of any receipt by the Chargee of the Rents (or any portion thereof) pursuant to the foregoing provisions hereof, it is expressly understood and agreed that the Chargor shall at all times be (and shall continue to remain exclusively) liable to perform and fulfill all of the covenants and obligations of the Chargor arising under (or in connection with) all of the Leases existing or outstanding from time to time, in its capacity as the landlord thereunder.

DEFAULT

13. (a) If default shall be made in the payment of any sum for interest at any time appointed for the payment thereof as aforesaid, then compound interest shall be payable, and in such circumstances the sum in arrears for interest from time to time, as well after as before demand or maturity, and both before and after default and judgment, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid within one (1) month from the date of default, a rest shall be made and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before demand or maturity and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

(b) Upon default in the payment of any monies due and payable to the Chargee under the Charge for at least fifteen (15) days, the Chargee may, on at least thirty-five (35) days' notice in writing, enter on and lease the Property (or any portion thereof), or on default of payment for at least fifteen (15) days the Chargee may, on at least thirty-five (35) days' notice in writing, sell the Property (or any portion thereof). Such notice shall be given to such persons, and in such manner and form, and within such time as provided for or required by The Mortgages Act R.S.O. 1990, as amended, or alternatively as provided for in these standard charge terms. Provided further, and without prejudice to the statutory powers of the Chargee arising under the foregoing, that in case default be made in the payment of the said principal or interest or any part thereof, and such default continues for two (2) months after any payment of either falls due, then the Chargee may exercise the foregoing powers of entering, leasing or selling (or any of them) without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law, then notice shall be given to such persons and in such manner and form and within such time as is so required by law. The whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other, and the proceeds of any sale under or pursuant to the Charge may be applied in payment of any costs, charges and expenses incurred by or on behalf of the Chargee in taking, recovering or keeping possession of the Property, or incurred by reason of the non-payment (or incurred in the course of procuring payment) of the monies secured by the Charge, or otherwise. The Chargee may sell the Property or any part thereof, on such terms as to credit and otherwise as shall appear to it most advantageous, and for such price as can reasonably be obtained therefor, and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property, and resell the same without being answerable for any loss occasioned thereby, and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from the purchaser(s) after the satisfaction of the claims of the Chargee, and for any of the said purposes the Chargee may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease of the Property (or any portion thereof), nor be affected by any express notice that any sale or lease is improper, and no lack of notice or publication by the Chargee (as and when required) shall invalidate any such sale or lease.

RECEIVER

14. The Chargee may by writing under the hand of any solicitor or agent authorized on its behalf, upon any default whatsoever on the part of the Chargor in the payment of any principal, interest or any other monies owing or otherwise secured under the Charge, or upon any default by the Chargor in the observance of any of the covenants and conditions therein contained, appoint a receiver or manager, or a receiver and manager, or a receiver-manager (hereinafter referred to as the "**Receiver**") of the Property or any portion thereof, and every such Receiver shall be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for the acts or defaults of the Receiver, save and except for fraud or wilful misconduct. The Receiver shall have the power to demand, recover and receive all of the Rents and income from the Property by any lawful action, distress or otherwise, either in the name of the Chargor or the Chargee, and may give effectual receipts and discharges therefor. The Receiver may, at the discretion and written direction of the Chargee, complete the

development and construction of any uncompleted project or structure on the Property (or any portion thereof), substantially in accordance with the Chargor's plans and specifications in connection therewith, or carry on the business of the Chargor relating to the Property or any part thereof, and may exercise all the powers conferred upon the Chargee under the Charge. The Receiver may be removed by the Chargee, and in such case (as well as in the circumstances of any Receiver dying or refusing to act, or becoming incapable of acting) a new Receiver may be appointed from time to time by the Chargee by writing under the hand of any authorized solicitor or agent as aforesaid. The Chargee may from time to time fix the remuneration of every such Receiver, and may recompense every such Receiver for its disbursements properly incurred in carrying out its duties, and the Receiver's fees and disbursements shall be deemed and construed to be secured by the Charge against the Property, and shall be payable on demand, and shall bear interest at the rate stipulated under the Charge (or otherwise deemed to be applicable pursuant to these standard charge terms). The appointment of the Receiver by the Chargee shall not be deemed or construed to constitute the Chargee as a mortgagee or chargee in possession, and the Chargee shall not be accountable except for any monies actually received by it, and the person paying money to (or in any way dealing with) the Receiver shall not be obliged or concerned to enquire whether any cause or event has happened or occurred to authorize the Receiver to so act. Subject to the retention of the Receiver's remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by it in such of the following modes, and in such order or priority as the Chargee may, from time to time and at the Chargee's sole option, direct in writing, namely: in discharge of all realty taxes, utility charges and other assessments affecting the Property which, if left unpaid, would constitute a lien or charge against the Property having priority over (or ranking *pari passu* with) the Charge; in payment of any amounts due under any mortgage or lien having priority over (or ranking *pari passu* with) the Charge; in payment of any premiums owing in respect of any fire, builder's all-risk, comprehensive liability and/or any other requisite insurance coverage that the Chargor is obliged under the Charge to procure and maintain, the payment of which is directed or confirmed in writing by the Chargee; in payment of the costs of executing or undertaking any necessary or proper repairs to any building or structure situate on the Property (or any portion thereof), as directed or confirmed in writing by the Chargee; in payment of the costs of carrying out or executing any of the powers, duties or discretions which vest in (or may be vested in) the Receiver by virtue of the foregoing provisions hereof; in payment of the principal monies (or any portion thereof) due and owing under the Charge, and/or in payment of any interest accruing due under the Charge, if and to the extent directed in writing by the Chargee; and shall pay the residue, if any, out of the monies received by the Receiver to the person or persons who, but for the possession of the Receiver, would have been entitled to receive same at law, in equity or by virtue of any applicable statute.

REMEDIES CUMULATIVE

15. No power or remedy conferred upon (or reserved to) the Chargee is intended to be exclusive of any other power or remedy given or available to the Chargee under or by virtue of the Charge and these standard charge terms, or under any security collateral thereto, or at law, in equity or by virtue of any applicable statute, and each and every such power or remedy shall be deemed and construed to be cumulative, and shall be in addition to every other power or remedy available to the Chargee by virtue of the Charge and these standard charge terms or any other security collateral thereto, now or hereafter existing at law, in equity or by statute. Every power and/or remedy given or available to the Chargee upon any default or breach of the Charge or these standard charge terms may be exercised by or on behalf of the Chargee from time to time, as often as may be deemed expedient by the Chargee, in its sole, unfettered and unreviewable discretion.

DISCHARGE

16. Upon the full payment and satisfaction of all principal, interest and other monies owing to the Chargee and secured by the Charge, and the due performance of all covenants and obligations of the Chargor set forth in the Charge, the Chargee shall, subject to the provisions of paragraph 28 hereof dealing with E-Reg registration requirements, execute and deliver a discharge of the Charge in registerable form within a reasonable time thereafter. All legal costs and other expenses incurred by the Chargee in connection with the preparation, execution and/or registration of such discharge shall be borne and paid for by the Chargor.

SEVERABILITY

17. If any one or more of the provisions contained in the Charge or in these standard charge terms shall, for any reason, be held or construed by a court of competent jurisdiction in the Province of Ontario to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision(s) of the Charge or these standard charge terms, and the Charge or these standard charge terms

(as the case may be) shall thereafter be read and construed as if such invalid, illegal or unenforceable provision had never been contained therein.

DUE ON SALE, TRANSFER OR CHANGE IN BENEFICIAL OWNERSHIP

18. In the event that the Chargor sells, conveys, transfers or assigns the Property (or any portion thereof) to one or more purchasers, transferors or assignees, or alternatively attempts or effects a change in the beneficial ownership of the Property (in whole or in part) at any time during the term or duration of the Charge, without first obtaining the written consent of the Chargee thereto, then at the sole option of the Chargee all monies secured by the Charge shall become due and payable on the thirtieth (30th) day following the date of the Chargee's demand for payment of same. However, a sale to one or more arms' length purchasers of one or more units (or proposed units) in the Condominium Project developed (or to be developed) on the Property (or any portion thereof) shall not trigger any payment(s) by the Chargor to the Chargee pursuant to the preceding provisions hereof.

NO FURTHER CHARGE OR ENCUMBRANCE

19. In the event that the Chargor further charges, mortgages or encumbers the Property (or any portion thereof) in any way, save and except for the Permitted Encumbrances, without first obtaining the written consent of the Chargee thereto, then at the sole option of the Chargee all monies secured by the Charge shall become due and payable on the thirtieth (30th) day following the date of the Chargee's demand for payment of same.

NOTICES

20. Any and all notices or other documents or communications desired or required to be given to any of the parties to the Charge [including the Chargor, the Chargee, and any guarantor(s) or indemnitor(s) of the Chargor's obligations under the Charge, in whole or in part] shall be in writing, and shall be delivered to the intended party or parties only by the following methods, namely by:

(a) prepaid registered mail (provided there is no prevailing or impending interruption in postal service at the relevant time of posting) addressed to the intended party or parties at their respective addresses for service set forth in the Charge, and shall be deemed to have been effectively given and correspondingly received on the 5th day (excluding Saturdays, Sundays and statutory holidays) after the date same is posted by registered mail;

(b) telefax transmission to the intended party or parties at their respective telefax numbers set forth in the Charge, and shall be deemed to have been effectively given and correspondingly received on the next day (excluding Saturdays, Sundays and statutory holidays) following the date of such telefax transmission, and provided further that a confirmation of such telefax transmission has been received by the transmitting party contemporaneous with (or forthwith following) such telefax transmission; or

(c) personal delivery by hand or bonded courier, to any officer, director or senior employee of the intended party or parties, at their respective addresses for service set forth in the Charge, and shall be deemed to have been effectively given and correspondingly received on the next day (excluding Saturdays, Sundays and statutory holidays) following the date of such personal delivery.

Any of the parties to the Charge may, from time to time and by written notice delivered to all other parties thereto in the manner aforesaid, change the address for service or telefax number (or provide a telefax number where no such fax number was originally set forth in the Charge) to which its notices, documents and other communications are to be delivered.

NON-MERGER

21. (a) The taking of the Charge by the Chargee as security for the Indebtedness and interest thereon, and for all other amounts secured thereunder, shall not operate as a merger of the remedies of the Chargee for the payment of the monies owing from time to time by the Chargor to the Chargee, nor of any remedies or powers of the Chargee arising under the Commitment Letter, and the Charge shall constitute continuing security to the Chargee for the amount of the Indebtedness and interest thereon, and for all other amounts secured thereunder in accordance with the provisions of these standard charge terms.

(b) It is further agreed that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of any such covenants, nor shall same affect the Chargee's right to interest at the rate and times expressly provided for in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms), and provided further that any such judgment(s) shall provide or stipulate that interest thereon shall be computed at the same rate (and in the same manner) as provided for in the Charge(or at the rate of interest deemed to be applicable by virtue of these standard charge terms, as the case may be) until the judgment(s) shall have been fully paid and satisfied.

APPLICATION OF PROCEEDS

22. Any and all payments made to the Chargee in respect of any monies secured by the Charge, and/or any monies or other proceeds realized from any securities held therefor (including the Charge) may be applied, and/or re-applied (notwithstanding any previous application) against or in respect of such part or parts of the Indebtedness and other liabilities of the Chargor arising under the Commitment Letter and/or the Charge as the Chargee may see fit in its sole, unfettered and unreviewable discretion.

CONSENTS AND PARTIAL DISCHARGES

23. (a) Subject to the provisions of paragraph 28 hereof dealing with the E-Reg registration requirements, the Chargor, when not in default under the Charge, shall have the privilege of obtaining from the Chargee, upon ten (10) days' notice therefor (excluding Saturdays, Sundays and statutory holidays), the following:

(i) the consent in writing of the Chargee to all documents and/or Planning Act proceedings (including any severance or minor variance applications) which may be reasonably required by the Chargor for the purposes of servicing the Property and/or developing the Condominium Project thereon, including all required postponements of the Charge (in registerable form) to any and all requisite easements or rights of way for maintenance, servicing, access and/or support purposes, and to any and all condominium development (or similar) agreements with any municipal, regional or other governmental authority or agency and/or utility provider; and

(ii) partial discharges of the Charge in respect of such portions of the Property as are required by the Chargor to be dedicated or conveyed to any municipal, regional or other governmental authority or agency, including road or park dedications;

provided that:

A) the partial discharge(s) and any related documents in connection therewith are in compliance with the part-lot control and subdivision control provisions of The Planning Act R.S.O. 1990, as amended;

B) any such partial discharge(s) and consent(s) will not, in the reasonable opinion of the Chargee's counsel or the Chargee, materially or adversely affect the value of the Property or the Chargee's security interests under the Charge;

C) the Chargee does not incur any liability under (or in respect of) any partial discharge(s) and/or consent(s) granted by the Chargee pursuant to the foregoing provisions hereof;

D) the execution by the Chargee of any such partial discharge(s) and/or consent(s) is to the extent only of its interests in the Charge; and

E) any consideration payable to the Chargor for any such partial discharge(s) and/or consent(s), or for any other document(s) requested to be executed by the Chargee in connection with the foregoing provisions of this paragraph, shall be paid entirely to the party or parties that are providing construction financing to the Chargor in connection with the development and construction of the Condominium Project on the Property, in reduction of the principal and interest indebtedness owing and secured thereunder.

(b) In those circumstances where the Condominium Project has been developed and completed on the Property (or any portion thereof), and the Condominium Corporation has correspondingly been created and registered under The Condominium Act 1998, S.O. 1998, as amended, the Chargor shall, subject to the overriding provisions of paragraph 23(c) and (d) hereof, have the privilege of obtaining a partial discharge of the Charge with respect to each dwelling unit (and any ancillary parking and/or locker unit(s) acquired in connection therewith, if any), without any payment by the Chargor on account of principal or interest, provided that the following conditions are all complied with, namely:

(i) that each partial discharge so requested is in compliance with the part-lot control and subdivision control provisions of The Planning Act R.S.O. 1990, as amended;

(ii) that the Chargor delivers (or causes to be delivered) to the purchaser of such unit(s) a registrable transfer and conveyance of such unit(s);

(iii) that the deed/transfer in respect of such unit(s) so conveyed by the Chargor is duly registered on title; and

(iv) that the Chargee is furnished with a photocopy of the duplicate registered copy of such transfer and conveyance, or is given the registration particulars thereof.

(c) It is understood and agreed that the Chargee shall provide to the Chargor or its solicitors one or more blanket partial discharges of the Charge in respect of those units (and their appurtenant common interests) in the Condominium Project that have been sold and conveyed by the Chargor, within thirty (30) days after the Chargee's receipt of a list from the Chargor or its solicitors indicating and confirming the specific units so transferred to the respective unit purchasers thereof, accompanied by the registration numbers of the deeds/transfers to the respective unit purchasers. All such partial discharges shall be provided by the Chargee free of any charge or fee to the Chargor, save and except as may otherwise be specified or stipulated in the Commitment Letter. Alternatively, should the Chargor require executed individual partial discharges of the Charge on or before the final closing of any unit sale transactions, then the Chargor's solicitors shall prepare and forward the requisite partial discharges to the Chargee for execution, along with certified funds to cover and pay for the Chargee's solicitor's reasonable legal fees charged in connection with each individual partial discharge (or any higher sum or fee per individual partial discharge as may be specified in the Commitment Letter).

(d) Notwithstanding anything provided in these standard charge terms to the contrary, it is understood and agreed that the Chargee shall not be obliged nor requested to provide any partial discharge(s) of the Charge in respect of any condominium unit(s) and its/their appurtenant common interests for which:

(i) the Chargor still has liability exposure to ONHWP for any deposit monies paid by a previous purchaser of the same unit(s); and/or

(ii) the Chargee still has liability exposure to ONHWP under (or in connection with) any warranty bond(s) issued to ONHWP by the Chargee in connection with the Condominium Project (or any portion thereof), or any liability exposure under any excess condominium deposit insurance policy, with respect to any deposit monies paid by a previous purchaser of the same unit(s).

(e) The registration of a partial discharge of the Charge in respect of any condominium unit (and its appurtenant common interests), or in respect of any other portion of the Property shall, insofar as such premises so partially discharged are concerned, automatically constitute a discharge of (and from) all other security documents and security interests in favour of the Chargee (excluding any guarantees) as may be registered against the title to the Property (or any portion thereof) or evidenced by any financing statement(s) registered or recorded under the Ontario Personal Property Security Registration System.

POSTPONEMENT OF THE CHARGE

24. The Chargee covenants and agrees to postpone and subordinate the Charge, and its rights and interests thereunder, to and in favour of the mortgage security now or hereafter given by the Chargor to the party or parties providing construction financing to the Chargor in connection with the development and construction of the Condominium Project on the Property or any portion thereof (hereinafter referred to as the "**Construction Mortgage**"), and to any and all advances under the Construction Mortgage (whether prior to, or subsequent to, the date of registration of the Charge), and the Chargee shall correspondingly execute and deliver to the Chargor, forthwith upon the Chargor's request (and at no charge or fee to the Chargor therefor), a postponement of the Charge in registerable form, together with any requisite financing change statement (for registration under the Ontario Personal Property Security Registration System) evidencing and confirming the foregoing postponement and subordination; provided however that with respect to purchasers' deposit monies involving the Condominium Project which are held or retained in a designated trust account monitored by or on behalf of the

Chargee, it is expressly understood and agreed that the Chargee shall have a first charge and security interest with respect thereto, which shall not be postponed nor subordinated to or in favour of the holder(s)/owner(s) of the Construction Mortgage (hereinafter collectively referred to as the "**Construction Mortgagee**").

RELEASING OF SECURITY BY CHARGEE

25. Subject to the overriding requirement to comply with the part-lot control and subdivision control provisions of The Planning Act R.S.O. 1990, as amended, the Chargee may at any time, and from time to time, in its sole, unfettered and unreviewable discretion, release or discharge any part or parts of the Property from the security of the Charge, and/or may release any other security for (or any surety in respect of) the monies secured by the Charge or any portion thereof, either with or without any sufficient consideration therefor, and without any responsibility or liability to the Chargor (or any other party or parties) therefor, all without thereby releasing any other part of the Property or the Chargor [or any other person(s) from the obligations under the Charge], or from any of the covenants therein contained, and without being accountable to the Chargor for the value of any property or security so released or discharged, or for any monies except for such funds that are actually received by the Chargee. Every lot, part-lot or condominium unit into which the Charged Premises are (or may hereafter be) divided does and shall stand charged with all of the monies owing by the Chargor to the Chargee and secured by the Charge, and no person shall have the right to require such monies to be apportioned. It is expressly agreed that the Chargee may grant time, renewals, extensions, indulgences, releases and discharges, and may take securities or give same up, and may abstain from taking any securities, or from perfecting any securities, and/or may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit, in its sole, unfettered and unreviewable discretion, without restricting, prejudicing or derogating from any of the rights of the Chargee arising under or by virtue of the Charge and these standard charge terms.

SALE OF EQUITY OF REDEMPTION

26. No sale, transfer, conveyance or other dealing whatsoever by the Chargor with the Property or the equity of redemption with respect to same (or any part thereof) shall in any way change the liability of the Chargor to the Chargee, or in any way alter the rights of the Chargee as against the Chargor or any other person(s) liable for the payment of the monies and/or the performance of the obligations secured by the Charge.

QUIET POSSESSION PRIOR TO DEFAULT

27. Until a default by the Chargor under the Charge has occurred, the Chargor shall have quiet possession of the Property. Upon a default in the payment of any principal and/or interest due and owing under the Charge, or upon a default in the performance of any of the covenants or obligations set forth in the Charge or in these standard charge terms, the Chargee may enter into and take possession of the Property (or any portion thereof), and shall correspondingly be entitled to use, occupy, possess and enjoy the Property (or any portion thereof), without any interference, suit, hindrance, interruption, or claim by or from the Chargor or any other person or persons whomsoever.

E-REG ELECTRONIC REGISTRATION REQUIREMENTS

28. In the event that the electronic registration system (herein referred to as the "**Teraview Electronic Registration System**" or "**E-Reg**") is operative in the applicable Land Titles Office in which the Charged Premises are registered, then anywhere in these standard charge terms where it is stated that the Chargee is obliged to execute and deliver a discharge and/or postponement of the Charge, in registerable form, such obligation shall be replaced with either of the following obligations to be selected or chosen by the Chargee in its sole discretion, namely:

(a) the Chargee delivering to the Chargor's solicitor an acknowledgment and direction authorizing the Chargor's solicitor to electronically register the discharge(s) and/or the postponement(s), as the case may be (provided that the Chargor's solicitor personally undertakes to provide the Chargee's solicitor with the registration particulars thereof, or alternatively a receipted copy of the electronically registered discharge and/or postponement, as the case may be, forthwith following the registration of same), all at the Chargor's sole cost and expense; or

(b) the Chargee authorizing and directing its solicitor to electronically register the discharge(s) and/or the postponement(s), as the case may be, at the Chargor's sole cost and expense;

provided that in each case the Chargor has otherwise complied with all other provisions set forth in the Charge and in these standard charge terms.

REGISTRATION OF CONDOMINIUM ON THE PROPERTY

29. (a) It is acknowledged and agreed that the Condominium Project is intended to be developed on all or a portion of the Property encumbered by the Charge, and to be described in a declaration and description drawn and prepared pursuant to (and in accordance with) the provisions of The Condominium Act 1998, S.O. 1998, as amended, or any successor condominium legislation (hereinafter referred to as the "**Act**"), and registered as a condominium pursuant to the provisions thereof. The term or expression "**Condominium Corporation**" shall mean the condominium corporation created by the registration of the said declaration and description against or in respect of the Property (or any portion thereof).

(b) The Chargor covenants and agrees to observe and comply with all duties and obligations imposed on the Chargor by the provisions of the Act, and by the declaration, by-laws and rules of the Condominium Corporation in force from time to time. Without limiting the generality of the foregoing, the Chargor covenants and agrees that it will promptly pay, as and when due, all contributions to the common expenses and all other payments required to be made by the Chargor as owner of the units therein. The Chargor further covenants and agrees to deliver to the Chargee, forthwith upon the demand of the Chargee, satisfactory proof that all common expenses assessed against the unit(s) owned by the Chargor have been paid, as and when same are due. In the event of the Chargor's default in paying any common expenses or other monies due and owing to the Condominium Corporation, the Chargee may, at its sole option, pay the same and add the amount thereof to the Indebtedness (and same shall correspondingly be secured by the Charge) and shall bear interest at the rate provided by the Charge (or deemed to be applicable by virtue of these standard charge terms), and the Chargee may thereafter exercise all or any of its rights, powers and/or remedies arising under or by virtue of the Charge and these standard charge terms by reason of the Chargor's non-payment of the common expenses or such other monies. Any breach of the aforementioned duties and obligations by the Chargor shall constitute a default under the Charge, and shall thereupon entitle the Chargee to exercise all of the rights, powers and remedies provided by virtue of the Charge (and these standard charge terms) in the event of a default thereunder. Without limiting the generality of the foregoing, upon the Chargor's default in the payment of the common expenses as aforesaid, the outstanding Indebtedness (and all other monies) secured by the Charge shall, at the Chargee's sole option, become due and payable on the thirtieth (30th) day following the date of the Chargee's demand for payment of same.

(c) The Chargor further covenants and agrees to deliver to the Chargee a copy of each and every:

(i) claim or demand for payment made by or on behalf of the Condominium Corporation to or from the Chargor, at least five (5) clear days prior to the date upon which any monies so claimed or demanded become due and payable, as provided by the terms of such claim or demand;

(ii) notice of any breach by the Chargor (or by those for whom the Chargor is liable or responsible at law or in equity) of any of the provisions of the Act, and/or the declaration, by-laws or rules of the Condominium Corporation, within five (5) days of the date upon which such notice is received by the Chargor;

(iii) request or demand for the consent or vote of the Chargor to any matter affecting any or all of the units in the Condominium Corporation owned by the Chargor, or with respect to the common elements, within five (5) days of the date upon which such request or demand is received by the Chargor;

(iv) notice of any special assessment proposed to be levied or any extraordinary expenditure intended or contemplated to be made by the Condominium Corporation, within five (5) days of the date upon which the Chargor receives notice of same; and

(v) in the event that the Charge constitutes a second charge against any unit(s) owned by the Chargor, notice that the holder of the first charge does not intend to exercise the right to vote in respect of any matter relating to the affairs of the Condominium Corporation, within five (5) days of the date upon which the Chargor receives such notice from the holder of the first charge.

(d) In the event that the government of the property of the Condominium Corporation is terminated pursuant to the provisions of the Act, or in the event that a sale of the condominium property or any portion of

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200222 Cote

the common elements is authorized by a vote of the owners of the Condominium Corporation, then in any of such circumstances the monies secured by the Charge shall, at the option of the Chargee, become due and payable on the thirtieth (30th) day following the date of the Chargee's demand for payment, and all the rights, powers and remedies conferred upon the Chargee by virtue of the Charge and these standard charge terms shall thereupon become exercisable, notwithstanding any consent given by the Chargee to any such termination or sale.

(e) The Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor to vote and/or consent to all matters pertaining to the affairs of the Condominium Corporation and/or any unit(s) owned by the Chargor and its/their appurtenant common interests, including without limitation, any matter relevant to the management of the Condominium Corporation, the sale of the whole or any portion of the condominium property and/or the assets of the Condominium Corporation, and/or the termination of the Condominium Corporation under the Act, and to exercise such right to vote and/or consent at all times and for all purposes, wherever and whenever the Chargor would have such right to vote or consent, at any meeting(s) of the unit owners of the Condominium Corporation, whether or not the Chargor is in default or in breach of any of the covenants or provisions contained in the Charge or in these standard charges, provided however that the Chargor shall nevertheless be entitled to exercise such right to vote or consent unless and until the Chargee gives notice to the Condominium Corporation and to the Chargor of the Chargee's intention to exercise such rights, in accordance with the provisions of the Act. Any such notice from or on behalf of the Chargee may apply to an indeterminate period of time, or to a limited period of time, or to a specific meeting or matter.

(f) The Chargee may, from time to time, waive its right to vote or consent, by giving notice of its intention to do so to the Condominium Corporation and to the Chargor, and any such waiver may be for an indeterminate period of time until withdrawn, or for a limited period of time, or for a specific meeting or matter, and while such waiver is in effect, the Chargor may exercise the right to vote or to consent.

(g) Notwithstanding the exercise by the Chargee of the right of the Chargor to vote or consent, it is acknowledged and agreed that such exercise shall not, under any circumstances, be deemed or construed so as to render the Chargee a mortgagee or chargee in possession, and it is further agreed that the Chargee shall not be under any obligation to vote, consent or otherwise protect the interests of the Chargor, nor shall the Chargee be responsible or liable to the Chargor in connection with any exercise of the right to vote or consent, nor with respect to any failure on the part of the Chargee to exercise such right to vote or consent.

(h) The Chargee may, at its sole option, pay the amount of any common expenses or other payments owing by the Chargor to the Condominium Corporation, and/or the amount of any other encumbrance, lien or charge having or claiming priority over (or ranking *pari passu* with) the Charge, including any realty taxes or other charges assessed against any or all of the units owned by the Chargor and their appurtenant interests in the common elements of the Condominium Corporation, and all such monies so paid by the Chargee, as well as all costs, charges and expenses incurred by or on behalf of the Chargee in recovering and keeping possession of the unit(s) owned by the Chargor, and all solicitor's charges (based on a substantial indemnity scale of costs) in respect of the collection of any overdue payments or any other monies payable by the Chargor (whether or not any step, action or proceeding to enforce such payment has been taken against the Chargor), shall be added to the Indebtedness secured by the Charge, and shall be payable by the Chargor to the Chargee on the thirtieth (30th) day following the date of the Chargee's demand for payment of same, and shall likewise bear interest at the rate specified in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms). In the event of the Chargee paying the amount of any such encumbrance, lien or charge, and/or paying any outstanding realty taxes, common expenses, special assessments or any other payments owing by the Chargor to the Condominium Corporation, then the Chargee shall be entitled to all the rights, powers, entitlements, equities, remedies and/or securities of all persons so paid (including, without limitation, the Condominium Corporation).

(i) The Chargor hereby charges to and in favour of the Chargee, as and by way of additional collateral security for the Chargor's repayment of the outstanding Indebtedness secured under the Charge, all rents and other monies receivable by the Chargor in connection with any unit(s) in the Condominium Corporation owned by the Chargor, and which are payable under any lease(s), occupancy agreement(s) or rental arrangement(s) now or hereafter entered into by the Chargor, and hereby assigns to the Chargee the benefit of all covenants, agreements and provisos therein contained, and shall execute and deliver to the Chargee all such notices and other documents as may be reasonably required in order to render such assignment effectual in law, and/or to preserve the priority of the Chargee with respect thereto pursuant to any registration provision of any statute, provided that the payment of rents under any such leases, occupancy agreements and/or rental arrangements may continue to be made to the Chargor unless and until default occurs under the Charge, and the Chargee notifies the Chargor and the lessee(s) or occupant(s) in writing to thereafter pay all rents and/or occupancy fees due and owing (or becoming due and owing) directly to the Chargee. Nothing herein contained shall make the Chargee responsible for the collection of the rents payable under any such leases or occupancy agreements, nor for the performance of any covenants, terms or conditions contained therein, and the Chargee shall not, by virtue of these presents, be deemed or construed under any circumstances to be a mortgagee or chargee in possession of the unit(s) owned by the Chargor. The Chargee shall be liable to account for only such rents or occupancy fees as actually come into its hands, less reasonable collection charges in respect thereof.

(j) Notwithstanding anything contained in the Charge or in these standard charge terms to the contrary, it is acknowledged and agreed that the obligation to insure any portion of the common elements, as well as the obligation to insure all of the units owned by the Chargor in the Condominium Corporation from time to time, up to the level of insurance mandated by the standard unit description set forth in any by-law of the Condominium Corporation (if such a by-law has been duly enacted), or by the standard unit description set out in the schedule (if any) prepared by the declarant of the Condominium Corporation and turned over to the board of directors of the Condominium Corporation in accordance with the provisions of the Act (in those circumstances where a standard unit by-law has not been enacted), may be performed by the Condominium Corporation rather than by the Chargor, and the proceeds of such insurance may be payable in accordance with the provisions of the declaration, by-laws and insurance trust agreement of the Condominium Corporation. However, in addition to the insurance coverage required to be obtained and maintained by the Condominium Corporation, the Chargor shall be obliged to obtain and maintain its own insurance coverage (noting the interests of the Chargee as a loss payee) for damage to any and all improvements made to the units (or deemed to be improvements to the units, pursuant to the provisions of the Act) owned from time to time by the Chargor, for the full replacement cost or value thereof, subject to a reasonable deductible limit or amount. The Chargor covenants that forthwith upon the happening of any loss or damage, it shall fully comply with the terms of all applicable policies of insurance, and with the insurance provisions of the said declaration, by-laws and insurance trust agreement of the Condominium Corporation, and shall seek the full compliance by the Condominium Corporation with its aforementioned insurance obligations. The Chargor further covenants and agrees to provide the Chargee with copies of all applicable insurance policies obtained and maintained by the Condominium Corporation, and by the Chargor, together with evidence of the payment of all premiums owing with respect thereto, along with evidence of the renewal of all such applicable insurance policies, within five days of being requested by the Chargee for same, all at no cost, charge or expense to the Chargee therefor whatsoever. If the Chargor or the Condominium Corporation (or both of them) shall neglect to keep the condominium property (including all of the units owned from time to time by the Chargor) fully insured as aforesaid, or to deliver copies of such policies of insurance and/or evidence of payment of all premiums owing with respect thereto, and/or evidence of the renewal of all such insurance policies as aforesaid, then the Chargee shall be entitled, but shall not be obliged, to insure each and every unit owned from time to time by the Chargor, and the Chargor or the Condominium Corporation (or both of them) shall forthwith, on the happening of any loss or damage, furnish at their own respective expense all necessary proofs, and shall do or undertake all necessary acts or things so as to enable the Chargee to obtain payment of all applicable or obtainable insurance proceeds.

CHANGE IN CHARGOR'S STATUS

30. Immediately after any change or transfer in the legal title or beneficial ownership of the Property, or any portion thereof (which change or transfer shall not occur or be undertaken without the prior written consent of the Chargee, unless same constitutes a sale or transfer to one or more arms' length purchasers of one or more units in the Condominium Project), the Chargor shall furnish the Chargee with full particulars thereof (together with such other information in connection with the foregoing as the Chargee may from time to time request), so that the Chargee is kept fully informed of the names and addresses of the owner or owners for the time being of the Property.

GUARANTEE

31. Each party named or described in the Charge as a guarantor (hereinafter individually and collectively referred to as the "**Guarantor**") hereby agrees with the Chargee as follows:

(a) In consideration of the Chargee issuing one or more warranty bonds to ONHWP in connection with the Condominium Project for and on behalf of the Chargor, and/or providing excess condominium deposit insurance with respect to some or all of the purchasers' deposit monies in connection with the Condominium Project, and for other good and valuable consideration and the sum of Two Dollars of lawful money of Canada paid by the Chargee to the Guarantor (the receipt and sufficiency of which is hereby expressly acknowledged), the Guarantor hereby covenants, promises and agrees as a principal debtor, and not merely as a surety, to pay (or cause to be paid) to the Chargee the entire Indebtedness and all other monies secured by the Charge, together with all interest accrued thereon at the rate stipulated in the Charge (or at the rate deemed to be applicable pursuant to these standard charge terms), at the times and in the manner set forth in the Charge, and shall observe, perform and fulfill all covenants and obligations of the Chargor contained in the Charge and set forth in these standard charge terms, and the Guarantor does further acknowledge and agree that this covenant of guarantee shall unconditionally bind the Guarantor (and the Guarantor's respective heirs, estate trustees, successors and assigns) notwithstanding any indulgences granted by the Chargee to the Chargor, the giving of time for the repayment of the Indebtedness secured by the Charge, the varying of the terms of payment of the Charge, the varying of the principal sum secured by the Charge and/or the rate of interest charged thereunder (including any increase or decrease in the principal sum secured and/or any increase or decrease in the interest rate so charged or accruing under the Charge), any extension or renewal of the Charge by the Chargee, any release or discharge of the Chargor and/or any discharge of the Charge registered in respect of any portion of the Property [including any unit(s) and its/their appurtenant common interests], and/or the subsequent bankruptcy or insolvency of the Chargor, and despite the Chargee's failure or omission to obtain the consent or signature of the Guarantor to (or to give notice to the Guarantor of) any such indulgences by the Chargee, any such giving of time for repayment, any such variance of the terms of payment, any such variance of the principal sum secured and/or the rate of interest so charged (including any increase or decrease in the principal sum secured and/or any increase or decrease in the interest rate so charged or accruing under the Charge), any such extension or renewal of the Charge, any such release or discharge of the Chargor and/or any discharge of the Charge registered in respect of any portion of the Property [including any unit(s) and its/their appurtenant common interests], and/or any such bankruptcy or insolvency of the Chargor.

(b) The Guarantor expressly acknowledges and agrees that the Chargee may waive any breach or default by the Chargor, and may accept other covenants, guarantees, sureties or securities without notice to (and without the consent of) the Guarantor, and without relieving the Guarantor from any liability to the Chargee, and that the Guarantor's liability shall subsist and continue until payment in full is received by the Chargee of the entire Indebtedness together with all interest accrued thereon and all other monies secured by the Charge. Without limiting the generality of the foregoing, it is understood and agreed that the liability of the Guarantor shall subsist and continue, and be binding on the Guarantor, as well after as before default, and both before and after the Chargee's demand or the maturity of the Charge, until the outstanding Indebtedness secured by the Charge (together with all interest accrued thereon and all other monies secured by the Charge) have been fully paid and satisfied, and nothing whatsoever shall reduce, release or extinguish such liability of the Guarantor until the entire Indebtedness, together with interest thereon and all other monies secured by the Charge are fully paid to the Chargee as aforesaid.

(c) The Guarantor hereby expressly acknowledges and agrees that upon any default by the Chargor under the Charge, the Chargee shall thereupon be entitled to demand payment from the Guarantor of the entire outstanding principal and interest indebtedness secured thereunder, and shall be correspondingly entitled to exercise and pursue all rights, remedies and powers:

i) against the Chargor and/or the Property (or any portion thereof), without having to give any notice thereof whatsoever to the Guarantor; and/or

ii) against the Guarantor, without having to take any prior action (nor any action whatsoever) against the Chargor (or against any other party or parties), and without having to realize on the security of the Charge against the Property (or any portion thereof), and without having to exhaust or pursue any other rights, powers and/or remedies available to the Chargee against the Chargor or any other person or property whatsoever.

(d) It is further acknowledged and agreed by the Guarantor that the foregoing covenant of guarantee has been given to the Chargee free of any conditions, that no representations whatsoever have been made to the Guarantor affecting (or with respect to) the Guarantor's liability to the Chargee, that said guarantee is in addition to (and not in substitution for) any other guarantee(s) now or hereafter held or taken by the Chargee in respect of the outstanding indebtedness secured by the Charge (or any portion thereof), and that said guarantee shall not be deemed or construed to have been waived, released, discharged, impaired or affected by reason of any assignment and/or re-assignment of the Charge at any time hereafter, nor by reason of any subsequent sale, transfer or other conveyance of the Property (or any portion thereof) by the Chargor or the Chargor's successors in title thereto.

(e) Any payment made by the Guarantor to the Chargee pursuant to this guarantee shall not in any way or event be deemed or construed to affect or reduce the liability of the Chargor for the payment of any monies secured by the Charge, but rather such liability of the Chargor to the Chargee shall remain unimpaired and unaffected, and the Chargor may in such circumstances be liable to the Guarantor to the extent of any such payments made by the Guarantor to the Chargee, inasmuch as the Guarantor may be subrogated as against the Chargor to all of the rights, powers and privileges to which the Chargee was entitled prior to any such payment by the Guarantor; provided however that the Guarantor shall not be entitled under any circumstances to claim or rank for payment against the Chargor or the Property (or any portion thereof) in priority to, or *pari passu* with, the Chargee, nor otherwise compete with or against the Chargee insofar as the Chargor or the Property (or any portion thereof) so encumbered by the Charge is concerned, unless and until the entire Indebtedness, together with all interest accrued thereon and all other monies secured by the Charge, have been fully paid to the Chargee, and accordingly any monies or other property received or collected prior thereto by the Guarantor from the Chargor (either directly or indirectly) shall be deemed and construed to be held in trust by the Guarantor for and on behalf of the Chargee (and shall be forthwith remitted and/or paid to the Chargee by the Guarantor).

(f) The Chargee may vary any agreement or arrangement with, or release, the Guarantor (or any one or more of the Guarantors, if more than one party is named or described as Guarantor), and may grant extensions of time or other indulgences to the Guarantor, and/or otherwise deal with the Guarantor in any manner that the Chargee deems appropriate, in its sole, unfettered and unreviewable discretion, without any notice to (and without having to procure the consent of) the Chargor or any other Guarantor (or their respective successors or assigns), and without in any way reducing or otherwise affecting the liability of the Chargor to the Chargee arising under the Charge (nor reducing or otherwise affecting the liability of any other Guarantor to the Chargee).

(g) All covenants and obligations of the individual parties comprising the Guarantor shall be deemed and construed to be joint and several covenants and obligations. Accordingly, where more than one party is named or described in the Charge as a guarantor, then all of the foregoing covenants, liabilities and obligations of the Guarantor shall be deemed and construed to be joint and several covenants, liabilities and obligations, respectively. Furthermore, all of the covenants, liabilities and obligations of the Guarantor created or imposed by these standard charge terms shall be equally binding upon the Guarantor's respective heirs, estate trustees, successors and assigns.

COSTS ADDED TO PRINCIPAL

32. Without limiting or restricting any of the foregoing provisions of these standard charge terms, it is acknowledged and agreed that the Chargee may pay all premiums of insurance, and all realty taxes, utility charges and/or common expense payments which from time to time fall due and remain unpaid in respect of the Property (or any portion thereof), or in respect of any units owned by the Chargor in the Condominium Corporation and their appurtenant common interests, and all such payments so made by the Chargee, together with all costs and expenses incurred by or on behalf of the Chargee in negotiating, preparing and/or registering the Charge, investigating the title to the Property and/or in having the Property inspected and appraised, and incurred with respect to any proceedings taken or pursued by the Chargee in connection with the Charge (including recovering and keeping possession of the Property, or suing the Chargor on its covenant to pay, or otherwise pursuing the collection of the payment of the Indebtedness from the Chargor), or in realizing upon the security of the Charge [including without limitation, all legal fees, disbursements and real estate commissions and other costs incurred in leasing or selling the Property (or any portion thereof), or in exercising any power of sale in respect of the Property (or any portion thereof)], shall, together with interest thereon at the rate provided for in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms), be and constitute a charge against the Property in favour of the Chargee, and the Chargee may also pay or satisfy any lien, charge or encumbrance (other than any of the Permitted Encumbrances) now existing or hereafter created or claimed upon the Property, which payments, together with interest thereon at the rate provided for in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms) shall likewise be and constitute a charge against the Property in favour of the Chargee. It is further understood and agreed that all such amounts so paid or incurred by the Chargee as aforesaid shall be added to the Principal Sum secured by the Charge, and shall be payable on the thirtieth (30th) day following the

date of the Chargee's demand for payment of same, together with interest thereon at the rate provided for in the Charge (or at the rate of interest deemed to be applicable by virtue of these standard charge terms), and upon the Chargor's default in the payment of same all rights, powers and remedies conferred upon (or reserved to) the Chargee under or by virtue of the Charge and these standard charge terms shall thereupon become immediately exercisable.

INTERPRETATION, ENUREMENT, TIME OF THE ESSENCE & HEADINGS

33. The Charge and these standard charge terms shall be read and construed with all changes in gender and/or number as may be required by the context. All rights, powers, remedies, advantages, privileges, immunities and things secured to and in favour of the Chargee under or by virtue of the Charge and these standard charge terms (including the benefit of all covenants and obligations of the Chargor thereunder), shall enure to the benefit of the Chargee's successors and assigns, and all covenants, obligations and liabilities of the Chargor arising under or by virtue of the Charge and these standard charge terms shall correspondingly be binding upon the Chargor's heirs, estate trustees, successor and assigns (including any trustee in bankruptcy appointed in respect of the Chargor), as the case may be. All covenants, liabilities and obligations of the Chargor and the Guarantor respectively, shall be joint and several. Time shall be of the essence in respect of the performance and fulfilment of all covenants and obligations set forth in the Charge and in these standard charge terms. The headings used throughout these standard charge terms are inserted for convenience of reference purposes only, and shall not affect the interpretation or construction of the Charge nor these standard charge terms, and shall not define, restrict or limit any term or provision thereof.

CHARGOR'S ACKNOWLEDGMENT & AUTHORIZATION

34. The Chargor acknowledges having received a true copy of the Charge, and in the event E-Reg is operative in the applicable Land Titles Office in which the Property is registered, then the Chargor expressly authorizes the Chargee (and/or its solicitors) to register the Charge against the Property electronically in the Teraview Electronic Registration System.

****

Dated the 24th day of July, 2002.

London Guarantee Insurance Company
by its solicitors, DelZotto, Zorzi

Per:
Harry Herskowitz

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200222 Cote

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CLAUSES TYPES DE CHARGE
Filing No. 200223 Cote
Filing Date Aug. 7th, 2002 Date de Dépôt
Page 1 of/de Eighteen (18) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS

Filed by:
CLINTON COMMUNITY CREDIT UNION LIMITED

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

TABLE OF CONTENTS

PAGE #
1. DEFINITIONS 2
2. FREEHOLD CHARGE 3
3. COLLATERAL SECURITY 3
4. CHARGE RATE 3
5. DEFEASANCE 4
6. TAXES 4
7. COMPOUND INTEREST 5
8. OBLIGATION TO MAINTAIN ACCOUNT 5
9. EQUIVALENT INTEREST RATES 5
10. DEEMED COVENANTS EXCLUDED 7
11. COVENANTS IN LIEU OF STATUTORY COVENANTS 7
12. LEASEHOLD PROVISIONS 8
13. RELEASE 10
14. ENTRY AFTER DEFAULT AND POWER OF SALE 10
15. DISTRESS 10
16. PRINCIPAL DUE ON DEFAULT 11
17. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT 11
18. BUILDINGS, ADVANCES AND COST OF SEARCH 11
19. FIXTURES 11
20. PARTIAL RELEASE 11
21. DEFAULT IN PRIOR CHARGES 11
22. DEFAULT IN COLLATERAL SECURITY 11
23. LIENS AND CONSTRUCTION 12
24. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION 12
25. INSPECTION 12
26. ALTERATIONS 12
27. NON-MERGER 12
28. RIGHTS ON DEFAULT 12
29. OBLIGATIONS SURVIVE SALE 12
30. DUE ON SALE 12
31. PRIOR ENCUMBRANCES 13
32. SUBSEQUENT ENCUMBRANCES 13
33. ONTARIO NEW HOME WARRANTIES PLAN ACT 13
34. PROHIBITION AGAINST RENTAL 13
35. COVENANTOR OR GUARANTOR 14
36. EXTENSIONS 14
37. BONUS ON DEFAULT 14
38. DISCHARGE 14
39. OTHER SECURITY 14
40. PLACE OF PAYMENT 14
41. SPOUSE'S CONSENT 14
42. FAMILY LAW ACT 14
43. SEVERABILITY OF ANY INVALID PROVISIONS 15
44. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS 15
45. FARMLANDS 15
46. CHANGE OF CORPORATE CONTROL 15
47. COMPLIANCE WITH THE LAW AND ENVRIONMENTAL COMPLIANCE 15
48. CONDOMINIUMS 16
49. RENEWAL OR EXTENSION 16
50. RECEIVERSHIP 16
51. CHARGEE EXPENSES 17
52. FURTHER ASSURANCES 17
53. INTERPRETATION 18
54. PARAGRAPH HEADINGS 18
55. DATEOFCHARGE 18
56. EFFECT OF DELIVERY OF ERS CHARGE 18

1. DEFINITIONS

(a) General Definitions

The following terms shall have the following meanings irrespective of whether the Charge is an ERS Charge or a Form 2 Charge:

(i) "Charge" - means a Form 2 Charge or ERS Charge in which this set of standard charge terms is deemed to be included pursuant to the Land Registration Reform Act and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, amendments thereto, and includes this set of standard charge terms;

(ii) "Charge Rate" - has the meaning given to it in section 4 of these standard charge terms, as applicable;

(iii) "Charged Premises" - means the lands and premises described in the Charge, including all improvements thereto and all fixtures forming a part thereof;

(iv) "Condominium Act" - means the *Condominium Act,* R.S.O. 1990, c.C.26, as amended or replaced from time to time;

(v) "Condominium Corporation" - means the condominium corporation created by the registration pursuant to the Condominium Act of a Declaration in which a portion of the lands described in the Declaration are the Charged Premises;

(vi) "Declaration" - means the declaration which, together with a description, was registered pursuant to the Condominium Act thereby creating the Condominium Corporation, as same may be amended from time to time;

(vii) "Deferred Interest" - means the amount by which the interest that has accrued on the aggregate of the portion of the Principal Amount then outstanding from one payment date under the Charge to the next payment date under the Charge exceeds the Payment Amount (or such other amount agreed to by the Chargor and the Chargee, in writing as the amount to be paid on a payment date) and thus remains unpaid;

(viii) "ERS Charge" - means a charge in an electronic format registered electronically pursuant to the provisions of Part III of the Land Registration Reform Act and the regulations made pursuant thereto;

(ix) "Form 2 Charge" - means a Charge/Mortgage of Land registered using a paper based system of registration pursuant to the provisions of Part I of the Land Registration Reform Act and the regulations made pursuant thereto;

(x) "Land Registration Reform Act" - means the *Land Registration Reform Act,* R.S.O. 1990, c.L.4, as amended or replaced from time to time;

(xi) "Lease" - has the meaning given to it in section 12 of these standard charge terms;

(xii) "Prime Rate" - means the variable rate of interest per year declared by the Chargee from time to time to be its prime rate for Canadian dollar loans made by the Chargee in Canada;

(xiii) "Renting" - means the renting, leasing, entering into of a tenancy agreement with, or allowing occupancy by a Tenant of the whole or any part of the Charged Premises;

(xiv) "Reversion" - has the meaning given to it in paragraph 12(b) of these standard charge terms;

(xv) "taxes" - means all municipal taxes, school taxes and local improvement rates chargeable against the Charged Premises;

(xvi) "Tenant" - has the meaning set out in Section 1 of the *Tenant Protection Act, 1997,* SO. 1997, c. 24, as amended (the "Tenant Protection Act"); and

(xvii) "term" - means the period of time from the Interest Adjustment Date to the agreed upon maturity date of the Charge.

(b) Form 2 Charge Definitions

If the Charge is a Form 2 Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in Box 9(i);

(ii) "Box" - means a box contained in the Form 2 Charge in which the names of parties to and the terms of the Form 2 Charge may he indicated;

(iii) "Chargee" - means the party referenced in Box 14;

(iv) "Chargor - means each and every party referenced in Box 11;

(v) "Covenantor" - has the meaning given to it in section 35 of these standard charge terms;

(vi) "First Payment Date" - means the date indicated in Box 9(f);

(vii) "Fixed Rate Mortgage" - has the meaning given to it in paragraph 4 of these standard charge terms;

(viii) "Interest Adjustment Date" - means the date indicated in Box 9(d);

(ix) "Last Payment Date" - means the date indicated in Box 9(g);

(x) "Payment Amount" - means the dollar amount of money indicated in Box 9(h);

(xi) "Principal Amount" - means the dollar amount of money indicated in Box 4;

(xii) "Rate" - means the interest rate expressed in words and/or numbers in Box 9(b); and

(xiii) "Floating Rate Mortgage" - has the meaning given to it in paragraph 4 of these standard charge terms.

(c) ERS Charge Definitions

If the Charge is an ERS Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in the Computer Field entitled "Balance Due Date";

(ii) "Chargee" - means the party indicated in the Computer Field entitled "Chargee";

(iii) "Chargor" - means each and every party indicated in the Computer Field entitled "Chargors";

(iv) "Computer Field" - means a computer data entry field in an ERS Charge into which the names of the parties to and the terms of an ERS Charge maybe indicated;

(v) "First Payment Date" - means the date indicated in the Computer Field entitled "First Payment Date";

(vi) "Fixed Rate Mortgage" - has the meaning given to it in paragraph 4 of these standard charge terms;

(vii) "Interest Adjustment Date" - means the date indicated in the Computer Field entitled "Interest Adjustment Date";

(viii) "Last Payment Date" - means the date indicated in the Computer Field entitled "Last Payment Date;

(ix) "Payment Amount" - means the dollar amount of money indicated in the Computer Field entitled "Payment";

(x) "Principal Amount" - means the dollar amount of money indicated in the Computer Field entitled "Principal";

(xi) "Rate" - means the interest rate expressed in words and/or numbers indicated in the Computer Field entitled "Rate"; and

(xii) "Floating Rate Mortgage" - has the meaning given to it in paragraph 4 of these standard charge terms.

2. FREEHOLD CHARGE

If the Chargor named in the Charge has a fee simple interest in the Charged Premises the following paragraph applies to the Charge:

The Chargor named in the Charge of which this set of standard charge terms forms a part by reference to its filing number in such Charge charges the Charged Premises with the payment to the Chargee of the principal and interest and other monies secured by the Charge upon the terms as set out in the Charge.

3. COLLATERAL SECURITY

The Chargor has, at the request of the Chargee, agreed to give this Charge as a continuing collateral security for the payment and satisfaction to the Chargee of all obligations, debts and liabilities, past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Chargee and the Chargor or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (such obligations, debts and liabilities being hereinafter called the "liabilities") but it being agreed that this Charge at any one time will secure only that portion of the Principal Amount of the liabilities outstanding at such time which does not exceed the sum either set forth in Box 4 of a Form 2 Charge or set out in the Computer Field entitled Principal in an ERS Charge, together with any interest or compound interest accrued on the Principal Amount at such time at the Charge Rate, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge.

4. CHARGE RATE

Notwithstanding the fixed rate of interest set forth in the Charge, if the Chargor and the Chargee have agreed in writing that a lower rate of interest is applicable to the Principal Amount, then such lower rate of interest shall apply. The Chargor and the Chargee may also agree in writing that the Charge is either a Fixed Rate Mortgage or a Floating Rate Mortgage and, if so agreed, the following terms shall apply:

(a) Fixed Rate Mortgage

If the Charge is a Fixed Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be: (i) if the Charge is an ERS Charge, the percentage per annum indicated in the Computer Field entitled "Rate"; or (ii) if the Charge is a Form 2 Charge, the percentage per annum indicated in Box 9 (b); or (such rate of interest being hereinafter referred to as the "Charge Rate") calculated half-yearly not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

(b) Floating Rate Mortgage

If the Charge is a Floating Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be the rate specified in the Charge as follows:

(i) if the Charge is an ERS Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in the Computer Field entitled "Rate" plus the number of percentage points per annum, if any, indicated in the Computer Field entitled "Rate"; or

(ii) if the Charge is a Form 2 Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in Box 9(b) plus the number of percentage points, per annum, if any, indicated in Box 9(b); or

(iii) the percentage per annum agreed to in writing between the Chargor and the Chargee.

such rate of interest being hereinafter referred to as the "Charge Rate", payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

If the Charge is a Floating Rate Mortgage, the Charge Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Charge Rate will always be the Prime Rate plus the number of percentage points per annum, if any, indicated either in the Computer Field entitled Rate of an ERS Charge or in Box 9(b) of a Form 2 Charge, as applicable, payable monthly and calculated monthly not in advance.

In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the certificate.

5. DEFEASANCE

(a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

(b) Provided the Charge shall be void upon the Chargor paying on demand to the Chargee the Principal Amount with interest thereon at the Charge Rate per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the Charge Rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Charge.

(c) The Charge Rate calculated monthly not in advance is equivalent to the rate of interest calculated half-yearly, not in advance shown in the equivalent rate table found in Section 9 of these standard charge terms. The Chargor may determine the equivalent rate by locating the Charge Rate in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

6. TAXES

It is mutually agreed between the parties to the Charge that:

(a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the taxes which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance.

(b) The Chargor shall pay to the Chargee in monthly installments on the dates on which installments of principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment of taxes.

(c) Where the period between the date of the advance and the end of the calendar year is less that one year, the Chargor shall pay to the Chargee in equal monthly installments, during such period and during the next succeeding 12 month period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 month period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

(d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable, and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount.

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee, until such debit balance is fully repaid.

The Chargee agrees to apply the foregoing deductions and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often that yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment or principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the principal and/or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of taxes to it in which case the Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge.

7. COMPOUND INTEREST

It is agreed that if default is made in the payment of any amount to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the amount in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the Charge Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

8. OBLIGATION TO MAINTAIN ACCOUNT

The Chargor agrees that, if regular payments of principal and/or interest (and taxes, if applicable) are required to be made by the provisions of the Charge or pursuant to a written agreement between the Chargor and the Chargee, the Chargor shall maintain, with a branch of the Chargee, an account of a type satisfactory to the Chargee, and, unless the Chargor has made alternate arrangements with the Chargee, the Chargee shall be entitled to automatically debit such account, by an amount equal to each payment of principal and/or interest (and taxes, if applicable),when each such payment is due. The Chargor covenants to ensure that such account always has sufficient funds on deposit to satisfy each such payment when due. If the Chargor breaches this covenant, or cancels the said authorization or closes the account (without opening and maintaining a substitute account), then such action or omission shall constitute a default under the Charge.

9. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Floating Rate Mortgage which calculation is set out in paragraph 4(b) of these standard charge terms. The following table sets out interest rates calculated half yearly, not in advance which are equivalent to interest rates calculated monthly not in advance. The Chargor may determine the equivalent rate by locating the rate of interest payable under the Chargor's Floating Rate Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.375	18.016
8.125	8.264	17.500	18.151
8.250	8.393	17.625	18.285
8.375	8.522	17.750	18.419
8.500	8.652	17.875	18.554
8.625	8.781	18.000	18.689
8.750	8.911	18.125	18.823
8.875	9.041	18.250	18.958
9.000	9.170	18.375	19.093
9.125	9.300	18.500	19.228
9.250	9.430	18.625	19.363
9.375	9.560	18.750	19.498
9.500	9.690	18.825	19.633
9.625	9.820	19.000	19.768
9.750	9.950	19.125	19.903
9.875	10.080	19.250	20.039
10.000	10.211	19.375	20.174
10.125	10.341	19.500	20.310
10.250	10.471	19.625	20.445
10.375	10.602	19.750	20.581
		19.875	20.716

10. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(1) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

11. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby, covenant, promise and agree to and with the Chargee, as follows:

(a) To Maintain Membership in Credit Union

That during the currency of the Charge, the Chargor shall maintain at all times the Chargor's status as a member in good standing of Clinton Community Credit Union Limited (and its successors and assigns).

(b) To Pay and Observe Covenants

That the Chargor, shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount, and any other amounts secured by the Charge with interest at the Charge Rate at the times and in the manner limited for payment thereof, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay.

(c) For Good Title

If the Charge is a charge of a fee simple estate, that the Chargor, at the time of execution and delivery of the Charge, in the case of a Form 2 Charge, or at the time of delivery for registration, in the case of an ERS Charge, is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(d) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee, in the manner set out in the Charge.

(e) Quiet Possession on Default

That from and after default in the payment of the portion of the Principal Amount then outstanding or the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever.

(f) Further Assurances

That from and after default in the payment of the portion of the Principal Amount then outstanding, or the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor shall and will, from time to time, and at all times thereafter, make, do, suffer, execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(g) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the lands and premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(h) Insurance

(i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a copy of the Charge, if the Charge is a Form 2 Charge, or printed copy of the Charge if the Charge is an ERS Charge, shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge on account of the amounts secured by this Charge or any part thereof whether due or not then due.

(ii) If the Charged Premises are part of a condominium the insurance provisions set out above will not apply and the following will apply to the Charge:

And that the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

12. LEASEHOLD PROVISIONS

If the interest of the Chargor in the Charged Premises derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence of the Charged Premises (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

(a) all references herein to "Charged Premises" shall include all right, title and interest of the Chargor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Charge;

(b) The Chargor grants, mortgages, demises, sub-leases and charges to the Chargee all estate, term, right, title and interest of the Chargor in and to the Lease and the Charged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Chargor in or to the lands and premises demised by the Lease during the term of the Charge, together with the Lease and all right, title and interest of the Chargor in the Lease and all benefit and advantage therefrom for the Chargee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the "Reversion"), as security for the payment to the Chargee of the Principal Amount and interest on such amounts and all other amounts secured by the Charge and for the performance of all liabilities and obligations secured by the Charge upon the terms set out in the Charge;

(c) the Chargor represents and warrants to the Chargee as follows:

(i) the Chargor has good leasehold title to the Charged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Chargee;

(ii) the Lease is, at the time of execution and delivery of the Charge in the case of a Form 2 Charge, and at the time of delivery for registration in the case of a ERS Charge, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Chargor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;

(iii) there have been no modifications to the Lease that have not been provided to the Chargee;

(iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Chargor up to the date of the Charge;

(v) the Chargor has a good tight, full power and lawful and absolute authority to demise and sublet the Lease to the Chargee in the manner aforesaid;

(d) the Chargor covenants and agrees with the Chargee as follows:

(i) the Chargor shall stand possessed of the Reversion in trust for the Chargee to assign and dispose of the Reversion in such manner as the Chargee shall by notice in writing direct (subject to the right of redemption in the Charge) and the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to assign the term of the Lease as the Chargee shall at any time direct.

(ii) the Chargor, at the request of the Chargee but at the cost, charge and expense of the Chargor, will grant and assign to the Chargee, or to whomever the Chargee may appoint, the Reversion or any renewal or substituted term of the Lease;

(iii) the Chargee shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts or default which may cause the Lease to be forfeited or determined and the Chargor shall indemnify the Chargee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;

(iv) the Chargor shall not, during the continuance of the Charge, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;

(v) the Chargor shall not, during the continuance of the Charge, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Chargee;

(vi) the Chargor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Chargee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Charge remain outstanding;

(vii) any breach or default under the Lease shall be deemed to be a default under the Charge entitling the Chargee to demand repayment of all amounts then secured by the Charge;

(viii) if the Chargor becomes the owner of the freehold of the lands and premises demised by the Lease the Charge shall increase to be a charge of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Chargor had been the owner of the freehold, free from encumbrances, at the date the Charge took effect. To give effect to the foregoing the Chargor does hereby grant and mortgage the freehold interest in the Charged Premises unto the Chargee, such grant to take effect upon the Chargor acquiring freehold title to the said Charged Premises. The Chargor covenants and agrees to execute and deliver, in the case of a Form 2 Charge or, in the case of an ERS Charge, authorize the delivery for registration, at the Chargor's expense, forthwith on demand therefor, such further and other documents as the Chargee may reasonably require for the purpose of validly giving effect to the foregoing;

(ix) the Chargor shall immediately notify the Chargee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice- or re-quest received from the lessor;

(e) any reference in the Charge to any charges payable in respect of the Charged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Chargor under the Lease and if any amounts are paid by the Chargee in respect of amounts owing under the Lease such amounts shall be a charge against the Charged Premises, shall bear interest at the Charge Rate and shall be secured by the Charge;

(f) in the event of any default in any payment of rent or other monies due under the Lease or in performance or observance of any covenant, agreement, condition or proviso contained in the Lease the Chargee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Chargee in so doing shall be payable forthwith by the Chargor to the Chargee, shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge;

(g) the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to enforce any covenants of the tenant under the Lease and to exercise any options to renew the Lease in the Chargee's discretion.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200223 Cote

13. RELEASE

The Chargor by these presents does release, remise, and forever quits claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto and out of the Charged Premises and every part thereof, so that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof in any manner howsoever, subject always to the proviso for defeasance.

14. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof as required by the Charge or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, R.S.O., 1990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Charge or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its willful neglect or default. In the event that the giving of such notice shall not be required by law, or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address, and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for any loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person damnified by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the Charged Premises, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee contained in the Charge or existing at law by virtue thereof.

And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, conveyances or leases, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the request, cost and expense of the Chargor transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge that, notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

15. DISTRESS

It is further agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

16. PRINCIPAL DUE ON DEFAULT

It is hereby further expressly declared and agreed, that if any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or in payment of any installment of principal as the same matures or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the money secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time mentioned for payment of such principal amount had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

17. CHARGORS QUIET POSSESSION UNTIL DEFAULT

It is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

18. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount secured by the Charge; and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee in its sole discretion may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge, in the case of a Form 2 Charge or delivery for registration in the case of an ERS Charge, or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount or any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall, in the case of a Form 2 Charge, take effect forthwith upon the execution of the Charge by the Chargor or, in the case of an ERS Charge, upon the delivery for registration of the Charge and the expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the Principal Amount not being advanced, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in default the said Chargee's power of sale given by the Charge, and all other remedies under the Charge or at law shall be exercisable.

19. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise now on or after the date of the Charge put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

20. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the amounts secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any amounts except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the amounts secured by the Charge.

21. DEFAULT IN PRIOR CHARGES

It is agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or encumbrance to which the Charge is subject or subordinate, then and in that event the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided.

22. DEFAULT IN COLLATERAL SECURITY

It is agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in or arising from any agreement, instrument, certificate or otherwise or dealings between the Chargee and the Chargor, then and in that event, the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided, and vice versa.

23. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against title to the Charged Premises the Chargee shall have the right, but not the obligation, to pay such amounts as may be required to remove such lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all costs, charges, and expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commission, as between a solicitor and its client, shall be added to the principal amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

24. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

25. INSPECTION

The Chargee through itself or its agent or employees may, at any time, enter upon the Charged Premises to inspect the Charged Premises and the reasonable cost of such inspection shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

26. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

27. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant nor affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgment shall have been fully paid and satisfied.

28. RIGHTS ON DEFAULT

The Chargor covenants and agrees with the Chargee that in the event of default in the payment of any installment of principal, interest or taxes secured by the Charge or any other amounts payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement in the Charge after all or any part of the amounts secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the Charged Premises and shall bear interest at the Charge Rate until paid.

29. OBLIGATIONS SURVIVE SALE

Provided that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the amounts secured by the Charge.

30. DUE ON SALE

Provided that in the event of

(a) the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises to a purchaser, grantee or transferee not approved in writing by the Chargee; or

(b) if such a purchaser, grantee or transferee should fail to (a) apply for and receive the Chargee's written approval as aforesaid, (b) personally assume all the obligations of the Chargor under the Charge, and (c) execute an assumption agreement in the form required by the Chargee,

then, at the option of the Chargee, all amounts secured by the Charge with accrued interest thereon shall forthwith become due and payable.

31. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or after the date of the Charge existing, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, any construction lien or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with the Charge or to realize the security of the Charge, or to defend the validity or priority of the Charge as against a third party, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other amounts paid the Charge by the Chargee shall be added to the amount secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in paragraph 14 and shall entitle the Chargee to exercise the power of sale and all other remedies given under the Charge. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the amounts advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

32. SUBSEQUENT ENCUMBRANCES

The Chargor covenants and agrees with the Chargee that, for the duration of the Charge, the Chargor shall not make or permit to be made any registration on title to the Charged Premises subsequent to the Charge that could reasonably be considered to constitute an encumbrance, lien, mortgage, charge or security interest, without the prior written consent of the Chargee.

33. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Homes Warranties Plan Act,* R.S.O. 1990, c.0.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the amounts secured by the Charge and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

34. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) The Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant and further covenants and agrees not to permit the Renting of the Charged Premises without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) The Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the Mortgages Act;

(c) In the event that any of the covenants contained in this section shall be breached then, at the option of the Chargee, all monies secured by the Charge with accrued interest thereon shall forthwith become due and payable;

(d) If the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on the Charge and the amount so paid shall be added to the amount secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

(e) In this section, "Tenant" shall have the meaning set out in Section 1 of the Tenant Protection Act, S.O., 1997, ch.24, as maybe amended from time to time.

35. COVENANTOR OR GUARANTOR

If a party is named as a covenantor or guarantor in the Charge or a schedule thereto (the "Covenantor"), the Chargor and the Covenantor acknowledge that it is a condition of the making of advances under the Charge that the covenant contained in this Section 35 be entered into by the Covenantor. The Covenantor further acknowledges that the consideration for the guarantee contained in this Section 35 is the making of advances under the Charge.

The Covenantor on behalf of himself, his executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the Principal Amount does hereby covenant, promise and agree as principal debtor and not as surety to and with the Chargee that the Covenantor will well and truly pay, or cause to be paid unto the Chargee the Principal Amount and all other amounts secured by the Charge, together with interest upon the same, at the days and times, and in the manner agreed to in the Charge or any amendments, renewals, variations or extensions thereof and shall and will in everything, well and truly do, observe, fulfill and keep any and all covenants, provisos, conditions, agreements and stipulations in the Charge according to the true intent and meaning thereof, and shall and will abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge on the part of the Chargor, and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon, and if there are more than one Covenantor shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantor.

36. EXTENSIONS

No extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor, the Covenantor or any other person liable for the payment of the monies secured by the Charge.

37. BONUS ON DEFAULT

On default of payment of any of the amounts secured by the Charge or payable under the Charge, the Chargee shall be entitled to require payment, in addition to all other amounts secured by the Charge or payable under the Charge, of a bonus equal to three months' interest in advance at the Charge Rate upon the principal amount secured by the Charge at such time, and the Chargor shall not be entitled to require a discharge of the Charge without such payment or notice in lieu thereof as required by law.

38. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge within which to prepare, execute and deliver in the case of a Form 2 Charge or prepare and deliver for registration in the case of an ERS Charge, as the case may be, a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation, execution and registration, as applicable of such discharge and assignment shall be borne by the Chargor.

39. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon the Charge or any other such security.

40. PLACE OF PAYMENT

Provided that all such payments secured by the Charge shall be made at the branch of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

41. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

42. FAMILY LAW ACT

The Chargor covenants and agrees that

(a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act*, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, and

(b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in clause 42(a) as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act*, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in the Chargor's possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse,

and on default, then all amounts secured by the Charge, together with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable.

43. SEVERABILITY

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

44. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default under the Charge; and no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

45. FARMLANDS

If the Charged Premises are farm lands, the Chargor will in each year during the term either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may after the date of the Charge be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

46. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

(a) the Chargor fails to supply to Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or

(b) without the written consent of the Chargee first had and obtained,

    (i) the Chargor issues or redeems any of its shares or transfers any of its shares,

    (ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or

    (iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale given by the Charge and all other remedies for enforcement shall be exercisable.

47. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

(a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;

(b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;

(c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and

(d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Charger hereby covenants and agrees with the Chargee as follows:

(a) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and

(b) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agree with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and pay immediately when due the cost of removal of such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all of the foregoing at their own expense.

48. CONDOMINIUMS

If the Charge is of a unit within a plan of condominium the following provisions shall apply:

(a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws and the rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge

(b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as the owner of the Charged Premises and in the event of the Chargor's default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

(c) The Chargor by the Charge irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

(i) The Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.

(ii) The Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.

(iii) The exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.

49. RENEWAL OR EXTENSION

Provided that the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor. The Chargor and the Covenantor, if applicable, agree that in the event that the renewal agreement provided to the Chargor is not signed and returned to the Chargee on or before the maturity date, the Charge, at the Chargee's option, will be automatically renewed on the terms set out in the renewal agreement.

50. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another instead of such receiver, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, hut no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revocable by the Chargor) to:

(i) collect the rents and profits from tenancies whether created before or after the Charge;

(ii) rent any portion of the Charged Premises which maybe or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;

(iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and

(iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

(b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.

(c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.

(d) Every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.

(e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises.

(f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

(i) the receiver's remuneration aforesaid;

(ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;

(iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;

(iv) to the Chargee all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;

(v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate.

(g) Save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

(h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(i) The statutory declaration of an officer of the Chargee as to default under the provisions of this Charge and as to the due appointment of the receiver pursuant to these terms shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers in the Charge provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(j) The rights and powers conferred in and by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

51. CHARGEE EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any amount payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises.

52. FURTHER ASSURANCES

The Chargor shall at any time and from time to time make, execute and deliver or cause to be made, executed and delivered to the Chargee, such further and other reasonable acts, deeds, conveyances and assurances as may be required by the Chargee to fully and effectually carry out the true intention and meaning of the Charge and the provisions included in the Charge, and the reasonable costs thereof shall be for the account of the Chargor. Further, the Chargor shall at any time and from time to time provide to the Chargee, upon request, and in a form acceptable to the Chargee, such further information and documentation as the Chargee may require regarding the Chargor's business and/or financial status.

53. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor contained in the Charge or implied are and are to be construed as both joint and several.

54. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

55. DATE OF CHARGE

The Charge shall be deemed to be dated, if the Charge is an ERS Charge, as of the date of delivery for registration of the ERS Charge and, if the Charge is a Form 2 Charge, as of the date of signature of the first named Chargor unless, in either case, as otherwise specifically provided.

56. EFFECT OF DELIVERY OF ERS CHARGE

The delivery of an ERS Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the ERS Charge was in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the ERS Charge for registration to do so.

DATED the 21st day of June, 2002.

CLINTON COMMUNITY CREDIT UNION LIMITED
by their solicitors
Harrison Pensa LLP

Per:
Christian James Hamber

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200223 Date

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200224 Code
Filing Date Sept. 30, 2002 Date de Dépôt
Page 1 of/de Fifteen (15) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by LA FÉDÉRATION DES CAISSES POPULAIRES DE L'ONTARIO INC.

Filing date: September 30, 2002.
Filing number: 200224.

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided by section 9 of the *Land Registration Reform Act*, as amended from time to time, irrespective of whether the charge is registered using a paper-based system of registration or if it is registered electronically.

INDEX

Page

1. Definitions . . . 2
2. Statutory Covenants Excluded . . . 2
3. Creation of Charge . . . 2
4. Charge Void . . . 2
5. Interest on Arrears . . . 2
6. Advances of Principal . . . 2
7. Municipal Taxes . . . 3
8. Covenants of the Chargor . . . 3
    a) Payment of principal, interest and other sums and observation of covenants . . . 3
    b) Authority to charge lands . . . 3
    c) Title . . . 3
    d) Prior Encumbrances . . . 3
    e) Insurance . . . 3
    f) Acceleration on default . . . 4
    g) Distress . . . 4
    h) Entry on Default . . . 4
    i) Further assurances . . . 4
    j) Repair . . . 4
    k) Power of sale . . . 4
9. Sale of the Lands . . . 5
10. Subsequent Charge . . . 5
11. Payments by Chargee . . . 5
12. *Ontario New Home Warranties Plan Act* . . . 5
13. Fixtures . . . 6
14. *Construction Lien Act* . . . 6
15. Building Mortgage . . . 6
16. Alterations . . . 6
17. Default in Prior Charges . . . 7
18. Waiver of Default . . . 7
19. Partial Releases . . . 7
20. Extensions . . . 7
21. Judgments . . . 7
22. Guarantor(s) . . . 7
23. Condominium . . . 7
Residential Properties . . . 8
    24. Prepayment Privileges . . . 8
    25. Increase of Regular Payments . . . 8
    26. Renewal Before Maturity . . . 8
    27. Portability . . . 9
Commercial Properties . . . 9
    28. Prepayment Privileges . . . 9
    29. Renewal Before Maturity . . . 9
30. Multiproject Option . . . 10
31. Discharges . . . 10
32. Assignment of Rents . . . 10
33. Bankruptcy of Chargor . . . 10
34. Receivership . . . 10
35. Environment . . . 11
    a) Definitions . . . 11
    b) Covenants . . . 12
    c) Indemnity . . . 12
    d) Right of access and other rights of the chargee . . . 13
36. Spouse's Consent . . . 13
37. Notification of Changes . . . 13
38. Corporations . . . 13
39. Business Administration . . . 13
40. Adverse Change . . . 13
41. Financial Statements and Information . . . 14
42. Compliance with Laws . . . 14
43. Notice . . . 14
44. Severability of Invalid Provisions . . . 14
45. Interpretation . . . 15
46. Equivalent Interest Rates . . . 15

DEFINITIONS

1. The parties hereto agree that the following terms shall for the purpose of this charge have the following meanings:

charge / mortgage: means Form 2, as prescribed from time to time under the *Land Registration Reform Act*, as that Act is amended from time to time, including any schedule attached thereto, and including this Set of Standard Charge Terms or the charge prepared in electronic format, including any schedule attached thereto and including the chargor's and any guarantor's acknowledgment and direction or other similar document authorizing the chargee to register the charge and/or other documents electronically and agreeing to be bound by the terms thereof, and any schedules attached thereto, and electronically registered pursuant to Part III of the *Land Registration Reform Act* as amended from time to time, in which this Set of Standard Charge Terms is referred by its filing number, and this Set of Standard Charge Terms, as well as all renewals and amendments thereto;

chargee: shall include the successors and assigns of the chargee;

chargor: shall include the heirs, executors, administrators, successors and assigns of the chargor and anyone to whom the lands are transferred;

condominium corporation: means the condominium corporation referred to in the legal description of the lands;

declaration: means the declaration registered which relates to the condominium corporation;

guarantor: shall include the heirs, executors, administrators, successors and assigns of the guarantor;

indebtedness: means the principal amount of which the chargor is indebted and/or may or will become indebted to the chargee including amounts and/or liabilities pursuant to, in respect of, or arising under the charge or any other agreement, arrangement or document given by the chargor to the chargee or between the chargor and the chargee including those in renewal or replacement thereof, and any amendment thereof;

interest rate: means the interest rate set out in box 9(b) on page 1 of the charge, as amended, provided that if the chargor and the chargee have agreed in writing in any agreement that a different rate will apply to all or part of the indebtedness, then that different rate will apply;

lands: shall mean the lands more particularly described in box 5 on page 1 of the charge, as amended, together with all buildings, constructions and improvements whether affixed or otherwise, present or future, including without restricting the generality of the foregoing all fences, installations for heating, plumbing, air conditioning, ventilation, lighting, water heaters, stoves, refrigerators, storm windows and doors and all fixtures

principal or principal amount: means the amount set out in boxes 4 and 9(a) on page 1 of the charge, as amended.

STATUTORY COVENANTS EXCLUDED

2. The parties agree that the covenants deemed to be included in all charges by reason of section 7(1) of the *Land Registration Reform Act*, as amended from time to time, are excluded from this charge and replaced by the following covenants.

CREATION OF CHARGE

3. The chargor charges in favour of the chargee the lands described in the charge as security for the repayment of the indebtedness, the interest calculated at the rate shown in said charge, all costs and amounts payable hereunder and the performance of all covenants, obligations and provisos herein contained, in accordance with the terms stipulated in the charge, together with all remedies, rights and powers available at law of the chargee and under this charge, including the power of sale herein contained.

CHARGE VOID

4. Subject to the provisions of this charge, provided this charge to be void on payment to the chargee at its head office, or such other place as may be designated by the chargee, in lawful money of Canada, of the indebtedness and interest at the rate set out in the charge, calculated at the times indicated in the charge, as well after as before maturity, default or judgment, until fully paid, in accordance with the terms described hereunder, together with the payment of all other amounts payable hereunder, including all municipal taxes, rates, levies, charges or assessments, utility charges upon the lands and the observance by the chargor of all covenants, obligations and provisos contained herein.

Interest at the rate set out in the charge on the amounts from time to time advanced, computed from the respective dates of such advances until the interest adjustment date set out in the charge, shall become due and be paid on the interest adjustment date; thereafter, the indebtedness and interest thereon shall become due and be paid upon the terms and on the dates set out in the charge. Except as otherwise agreed in writing, payments or other moneys received by the chargee, including any proceeds received from the enforcement of the charge, may be applied by it on any part of the sums due under the charge determined by it from time to time, notwithstanding any contrary stipulation by the chargor.

INTEREST ON ARREARS

5. It is agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sums in arrear for interest from time to time, as well after as before maturity, shall bear interest at the rate set out in the charge. In the event that the interest and compound interest are not paid in two months from the time of default a rest shall be made, and compound interest at the rate set out in the charge shall be payable on the aggregate amount then due, as well before as after maturity, and so on from time to time. All such interest and compound interest shall be a charge upon the said lands.

ADVANCES OF PRINCIPAL

6. The chargor agrees that neither the preparation, execution nor registration of this charge shall bind the chargee to advance the principal amount secured under this charge. Similarly, the advance of a part of the principal amount secured under this charge shall not bind the chargee to advance any unadvanced portion thereof. Nevertheless this charge shall take effect forthwith upon execution thereof by the chargor, and the costs and expenses of the examination of title, all related searches and the preparation of this charge and valuation are to be secured by this charge in the event of the whole or any balance of the principal amount not being advanced. These costs shall be a charge upon the said lands and shall without demand therefor, be payable forthwith with interest at the rate set out in the charge; and in default the chargee may exercise the power of sale and all its remedies, rights and powers available at law and under this charge.

MUNICIPAL TAXES

7. With respect to municipal taxes, school taxes, local improvement rates and all other taxes charged by a competent authority chargeable against the lands (hereinafter referred to as the "taxes"), it is agreed as follows:

a) Subject to the provisions of this paragraph, the chargor shall pay all taxes chargeable against the lands as they fall due;

b) The chargor agrees to provide to the chargee, as the chargee may require, receipts confirming the payment of said taxes within a period of thirty days following the date on which they were due;

c) The chargee may deduct from the final advance of monies secured by this charge an amount sufficient to pay the taxes due at the time of such final advance;

d) If required by the chargee, the chargor shall, each month, pay to the chargee one twelfth of the amount of the taxes due for the following year, as estimated by the chargee; the chargor shall also pay to the chargee on demand, the amount if any, by which the actual taxes exceed such estimated amount;

e) The chargor shall pay interest at the rate set out in the charge on any debit balance, in the account maintained by the chargee with respect to taxes, after payment of taxes by the chargee, until such debit balance is fully repaid and such amount is payable forthwith, added to the charge and shall be a charge on the lands.

The chargee agrees to apply such deductions and payments on the taxes chargeable against the lands so long as the chargor observes the covenants contained in this charge; nothing herein contained shall obligate the chargee to apply such payments on account of taxes more often than yearly and the chargee shall not be obligated to pay interest or other indemnity on such payments. If before any sum paid to the chargee shall have been so applied to taxes, there is default by the chargor in respect of any payment due under the charge, the chargee may apply such sum to satisfy the payment in default. Nothing contained in this charge shall relieve the chargor of his obligation to pay the taxes to the extent that the amounts applied to taxes by the chargee are not sufficient to fully discharge the same. The chargor further covenants to provide to the chargee assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after receipt of same.

COVENANTS OF THE CHARGOR

8. The chargor hereby covenants and warrants to the chargee as follows:

PAYMENT OF PRINCIPAL, INTEREST AND OTHER SUMS AND OBSERVATION OF COVENANTS

a) The chargor covenants with the chargee to pay, without deduction or abatement, the amounts advanced under the charge and interest thereon in accordance with the provisions of the charge; and to pay and satisfy, as they fall due, all taxes, assessments, and other levies and statute labour levied or imposed by any municipal, local, parliamentary or other competent authority, which may now or hereafter be imposed, charged or levied upon the lands, including without limiting the generality of the foregoing, any hydro-electricity, gas, water or sewer charges, and when required shall leave the receipts therefor with the chargee; to do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations provided in the charge; and that in the event of default, the chargee shall have quiet possession of the lands free and clear from all encumbrances.

Without prejudice to the chargee's rights under section 44 of the *Credit Unions and Caisses populaires Act, 1994*, as amended from time to time, the chargor authorizes the chargee to withdraw from any account maintained by the chargor with the chargee, the instalments or any other amounts due under this charge.

The chargor covenants and warrants to the chargee that all obligations, remittances and source deductions owed or payable by the chargor pursuant to the *Income Tax Act*, the *Employment Insurance Act*, the *Canada Pension Plan Act*, the *Excise Tax Act*, the *Retail Sales Tax Act*, all as amended from time to time, and any other similar obligation under any applicable legislation (the "obligations") are up to date and have been paid in full. The chargor further covenants and agrees to pay such obligations as they become due. Where more than one advance is anticipated or occurs, the chargor further represents, warrants and agrees to provide satisfactory evidence to the chargee, prior to each advance, that any such obligations are up to date and have been paid in full. The chargor also irrevocably authorizes and directs all appropriate governmental authorities or agencies to provide any and all information to the chargee or the chargee's solicitors, from time to time, relating to any obligations that may be payable or outstanding by the chargor, either alone or with other parties.

AUTHORITY TO CHARGE LANDS

b) The chargor covenants with and warrants to the chargee that he has good right, full power and absolute authority to charge the said lands, in the manner set out in this charge.

TITLE

c) The chargor covenants with and warrants to the chargee that at the time of execution of this charge he has a good and indefeasible estate of inheritance in fee simple, to the said lands, free and clear of all charges, easements, reservations, equitable interests, and other interest of any kind whatsoever, except as disclosed by the records of the land registry office.

PRIOR ENCUMBRANCES

d) The chargor covenants with and warrants to the chargee that he has not by any act, omission, or consent permitted or done anything whereby the lands are or may hereafter be in any way encumbered by any charge, easement, equitable interest or any other interest whatsoever, except as disclosed in the records of the land registry office.

INSURANCE

e) The chargor covenants that he will forthwith insure the buildings now or hereafter erected on the lands for a sum which shall not be less that their full replacement value and during the continuance of this charge keep them insured in favour of the chargee against loss and damage by fire, and also by explosion, tempest, tornado, cyclone, lightning and such other risks or hazards as the chargee may require. The chargor shall deliver to the chargee at least fifteen days prior to the expiry of any insurance policy and at least five days prior to the effective date of any notice of cancellation, evidence that he has renewed or replaced such insurance, failing which the chargee may provide therefor and charge the costs thereof and interest thereon at the charge rate to the chargor and the same shall be payable forthwith and shall also be a charge upon the lands. It is also agreed that the chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the chargee. The chargee may of its own accord effect or maintain any insurance herein provided for, and any amount paid by the chargee therefor shall be payable forthwith by the chargor with interest at the charge rate and shall also be a charge upon the said lands. All policies of insurance shall provide that loss shall be payable to the chargee as its interest may appear and contain a charge clause in a form approved by the chargee. The chargee may, in its sole discretion, require that all monies received in the event of loss be applied in whole or in part in discharge of any of the monies due under the charge, whether due or not.

ACCELERATION ON DEFAULT

f) In default of payment of interest, of any instalment of principal, or of any other amount payable by the chargor, in whole or in part, under this charge, or in the event of default by the chargor in the observance of any of the covenants, obligations and provisos contained in this charge, the chargee may, in its sole discretion, demand immediate payment of the indebtedness, interest, and any other amounts due under the charge. In default of payment, the chargee may exercise all of its remedies, rights and powers available at law, and under this charge including the power of sale herein contained. It is agreed that the chargee may in writing waive its right to demand immediate payment of the indebtedness, interest, and any other amount due under the charge, but notwithstanding such waiver, the chargee may exercise such right at a later time, or in the event of any other default.

The chargor covenants with the chargee and warrants that in the event of non-payment of the principal moneys or interest, and all other amounts payable under this charge become due pursuant to this paragraph at the time or times provided, he shall not require the chargee to accept payment of said principal moneys without first giving three months' previous notice in writing or paying the indemnity calculated in accordance with the formula provided in paragraph 24(b) or (c) or paragraph 28 herein, as applicable. The chargor agrees that this indemnity constitutes a form of compensation payable in consideration for the chargor's full repayment of the indebtedness and is not a penalty.

DISTRESS

g) The chargee may distrain for arrears of interest, principal and with respect to all other amounts due under this charge. All costs incurred in connection with the chargee's exercise of its remedy of distress are payable by the chargor forthwith with interest at the charge rate and are a charge on the lands.

ENTRY ON DEFAULT

h) In default of the payment of interest, of any instalment of principal, or of any other amount payable by the chargor, in whole or in part, under this charge, or in the event of default by the chargor in the observance of any of the covenants, obligations and provisos contained in this charge, the chargee may take possession of the lands and shall have quiet possession of the lands free and clear from all charges, executions or other encumbrances without the let, suit, hindrance, interruption or denial of the chargor.

FURTHER ASSURANCES

i) At all times, the chargor and any person who shall have a right or claim against the whole or any part of the lands will, at the chargor's expense, execute, deliver or obtain any deed or other instrument and do anything which the chargee or its solicitor may deem necessary for the further, better and more perfectly and absolutely conveying and assuring the lands hereby charged unto the chargee and such expenses shall be payable forthwith by the chargor, with interest at the charge rate and shall be a charge on the lands.

REPAIR

j) The chargor will keep the lands and the buildings and improvements now or hereafter erected thereon in good condition and repair and the chargee may, whenever the chargee deems necessary, in person or through an agent enter upon and inspect the said lands and premises and make such repairs as the chargee deems necessary. The costs of such inspection and repairs with interest at the rate set forth in the charge shall be payable forthwith by the chargor and be a charge upon the said lands. If the chargor shall neglect to keep the said lands and premises in good condition and repair or commits or permits any act of waste on the said lands (as to which the chargee shall be the sole judge) the chargee may demand the immediate payment of the indebtedness secured, interest thereon, and any other amount due under the charge and in default of payment, the chargee may exercise all of its remedies, rights and powers available at law and under this charge, including the power of sale herein contained. The chargor also covenants to forthwith advise the chargee of any order or notice relating to the lands issued by any competent authority and the chargor further agrees that the existence of any such order or notice shall constitute a default under this charge and in such event, the chargee may exercise all of its remedies, rights and powers available at law and under this charge, including the power of sale herein contained.

POWER OF SALE

k) In the event of default of payment of the indebtedness or interest, in whole or in part, or in the observing, performing, fulfilling or keeping of one or more of the covenants, obligations and provisos contained in the charge, the chargee may enter into possession of the lands hereby charged and take the rents and profits and, whether in or out of possession of the lands, may make any lease thereof as the chargee shall think fit.

Further, in the event of default, in any payment of the indebtedness or interest in whole or in part, or in the observing, performing, fulfilling or keeping of one or more of the covenants, obligations and provisos contained in the charge, and fifteen days shall have thereafter elapsed without such default having been remedied, the chargee may, after giving thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, as amended from time to time, without any further consent or concurrence of the chargor, sell and absolutely dispose of the lands hereby charged or any part or parts thereof, by public auction or private contract, or partly by private contract and partly by public auction, as the chargee shall see fit, and may convey and assure the same when so sold unto the purchaser or purchasers, his or their heirs, executors, successors, administrators and assigns, and execute and do all such things as may be found necessary for the purposes aforesaid. The chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its wilful neglect or default.

The production of these presents shall be conclusive evidence of default, as also of the continuance of the said indebtedness and interest or some part thereof.

After such sale or sales as herein provided, the chargee shall stand and be possessed of the monies to arise and be produced by such sale or sales, or which shall be received by the chargee by reason of any insurance upon the said premises upon the following trusts:

Firstly to pay and satisfy the costs and charges of preparing for and making sales, leases and conveyances as aforesaid or attempted sales, leases or conveyances, and all other costs, charges, damages and expenses which the chargee shall bear, sustain or be put to for taxes, rents, insurances and repairs and all other costs which may be incurred in and about the execution of any of the trusts hereby reposed;

Secondly, to pay and satisfy the interest and indebtedness hereby secured or so much thereof as shall remain due and unsatisfied up to and inclusive of the day whereon the indebtedness shall be paid and satisfied;

To the extent that a surplus remains after full payment and satisfaction of the amounts due under this charge, the chargee shall apply such surplus towards the payment of subsequent encumbrancers according to their priorities pursuant to all applicable laws and the chargee shall pay such surplus to the chargor or as he shall direct and appoint and shall in such event, at the request and cost of the chargor, transfer, release and assure unto the chargor or to such person or persons as he shall direct and appoint, all such part of the lands hereby charged as shall remain unsold for the purposes aforesaid, free and absolutely discharged from all claim from the chargee.

Provided always, and it is hereby further declared and agreed that notwithstanding the power of sale and the other powers and provisions contained in the charge, the chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the chargor in the lands hereby charged as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos in trust incident thereto had not been herein contained.

It is further agreed that any notices shall be given in such manner and to such persons as may be lawfully required pursuant to the *Mortgages Act*, as amended from time to time, at the time when such notices are given and in the absence of any such requirement in the *Mortgages Act*, as amended from time to time, or to the extent that such requirements shall not be applicable, such notices may be effectually given either by leaving the same with a grown up person on the said lands, if occupied, or by placing it thereon if unoccupied, or, at the option of the chargee, by mailing the same in a registered letter addressed to the chargor at his last known address or by publishing the same once in some newspaper published in the county or district in which the said lands are situated; any notice shall be sufficient though not addressed to any person by name or designation and notwithstanding any person or persons to be affected thereby may be unborn, unascertained or under disability.

The chargee may sell any part of the said lands on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can be obtained after reasonable efforts. The chargee may bid or buy the lands at the time of such sale, and may rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being held liable or answerable for loss occasioned thereby. In the case of a sale on credit, the chargee shall be bound to pay to the chargor only such monies as have been actually received from the purchaser after the satisfaction of the claims of the chargee. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by expressed notice that any sale or lease is improper. No want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

The chargor agrees that he will reimburse the chargee for legal fees and disbursements (calculated on a solicitor-client basis), real estate commissions and all other costs incurred by the chargee in exercising the powers of sale herein contained and all such fees, commissions and other costs shall bear interest at the rate provided in the charge, shall be payable by the chargor forthwith and shall be a charge on the lands.

SALE OF THE LANDS

9. a) In the event of a sale or other transfer whether voluntary or involuntary, in whole or in part, of the lands, by the chargor, the chargee may demand immediate payment of the indebtedness together with interest accrued thereon and all other amounts payable under the charge, together with an indemnity calculated in accordance with the formula provided in paragraph 24(b) or (c) or paragraph 28 herein, as applicable. The chargor covenants that such indemnity constitutes a form of compensation payable in consideration for the chargor's full repayment of the indebtedness and is not a penalty.

b) It is agreed that no sale or other dealing by the chargor with the said lands shall in any way change the liability of the chargor or in any way alter the remedies, rights and powers of the chargee available at law and under this charge as against the chargor or any other person liable for payment of the monies secured under this charge.

SUBSEQUENT CHARGE

10. In the event that the chargor gives a charge on the lands to another chargee without obtaining the chargee's prior consent, the chargee may, at its sole option and discretion, demand full repayment of the indebtedness, interest and all other amounts payable under the charge forthwith, together with an indemnity calculated in accordance with the formula provided in paragraph 24(b) or (c) or paragraph 28 herein, as applicable. The chargor covenants that such indemnity constitutes a form of compensation payable in consideration for the full repayment of the indebtedness by the chargor and is not a penalty.

PAYMENTS BY CHARGEE

11. It is agreed that the chargee may pay all premiums of insurance and all taxes, rates and utility and heating charges which shall from time to time fall due with respect to the said lands, and be unpaid by the chargor. Any such payments made by the chargee together with all costs, charges, legal fees (as between solicitor and client) and expenses incurred in taking, recovering and keeping possession of the said lands, and for negotiating this loan, investigating title, and registering this charge and other necessary deeds, and all costs incurred in any other proceedings taken in connection with or to realize this security (including real estate commissions incurred in leasing or selling the said lands), shall bear interest at the rate set forth in this charge and be a charge upon the said lands in favour of the chargee. The chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands and all amounts incurred for any such purpose shall likewise be a charge upon the said lands in favour of the chargee. It is hereby further agreed that all amounts paid by the chargee as aforesaid shall be added to the debt hereby secured and shall be payable by the chargor forthwith with interest at the rate set out in this charge. In default of payment of any obligation under this paragraph 11, the chargee may demand immediate payment of the indebtedness, interest thereon and any other amount due under the charge and may exercise all its remedies, rights and powers available at law and under this charge including the power of sale herein contained.

ONTARIO NEW HOME WARRANTIES PLAN ACT

12. In the event the chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Home Warranties Plan Act*, as amended from time to time, or the regulations thereunder, including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under this Act or enrolling the housing unit(s) located on the mortgaged lands or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such costs and expenses shall be added to the debt secured under the charge and be a charge on the said lands and shall bear interest at the rate set forth in the charge, and shall be payable forthwith by the chargor to the chargee.

FIXTURES

13. It is hereby mutually covenanted and agreed that all erections, improvements and fixtures now or hereafter put upon the lands, including but without limiting the generality of the foregoing, all buildings, structures, fences, heating, piping, plumbing, aerials, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment pertinent thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the lands and shall be a portion of the security for the indebtedness secured under this charge.

CONSTRUCTION LIEN ACT

14. At the time of each advance, the chargor shall ensure that there shall be full and complete compliance with all requirements of the *Construction Lien Act*, as amended from time to time, and the chargor shall submit to the chargee, in form and content satisfactory to the chargee, evidence of such compliance. The chargor agrees that the chargee shall be entitled to withhold from any advance, or pay into court as an advance, such amounts as the chargee, in its sole discretion, considers advisable to protect its interests under the provisions of the said act, and to secure the priority of the charge over any actual or potential construction liens. Nothing in this paragraph shall be construed to make the chargee an "owner" or "payer" as defined by the said act, nor shall there be, or be deemed to be, any obligation by the chargee to retain any holdback or otherwise or to maintain on the chargor's behalf any holdback which may be required to be made by the owner or payer. Any such obligation shall remain solely the chargor's obligation. The chargor hereby covenants and agrees to comply in all respects with the provisions of the said act.

If a construction lien is filed against all or part of the lands, then the chargor shall have the lien vacated or discharged forthwith. If the chargor fails to do so, then the indebtedness, interest and any other amounts payable under this charge shall, at the option of the chargee forthwith become due and payable and the chargee may exercise all its remedies, rights and powers available at law and under this charge, including the power of sale herein contained. In addition to its other rights provided herein, the chargee shall be entitled to pay into court a sum sufficient to obtain an order vacating such lien or to purchase a financial guarantee bond in the form prescribed under the said act. All costs, charges and expenses incurred by the chargee in connection with such payment into court or in connection with the purchase of a financial guarantee bond or in connection with any legal proceedings described below, together with interest thereon at the interest rate herein provided, shall be added to the sums payable and secured by the charge and shall be payable forthwith by the chargor to the chargee. If any person that performs work, labour or services or that provides materials to or for the lands, names the chargee as a party to any legal proceedings which it takes to enforce a construction lien or trust claim, the chargor agrees to reimburse the chargee for, and indemnify the chargee against any and all legal expenses (on a solicitor and his own client basis) incurred by the chargee in such legal proceedings.

BUILDING MORTGAGE

15. The chargor agrees that if the charge is a charge taken with an intention to secure the financing of any improvements on the lands, or if the charge is taken out to repay any such charge, the following conditions shall apply:

All construction on the lands shall be carried out by reputable contractor(s) with sufficient experience in a project of the nature and size contemplated, and whose construction contract(s) must be previously approved by the chargee in writing, which approval may be unreasonably withheld.

The renovations to, or construction of, any buildings, structures and improvements on the lands, shall be performed in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to and approved by the chargee, which approval may be unreasonably withheld, and to the satisfaction of all governmental and regulatory authorities having jurisdiction.

The chargor further covenants and agrees that all advances are to be made in such manner, at such times and in such amounts as the chargee, in its sole discretion may determine and subject always to the provision to which the chargor hereby agrees that notwithstanding the execution or registration of the charge or the advancement of any part of the monies, the chargee is not bound to advance the monies or any unadvanced portion thereof nor make or incur any further loan advance or liability to or for the chargor or any other party and the advance of the monies and any part thereof or the making of any loans or advances or the incurring of any liability on behalf of the chargor from time to time shall be in the sole discretion of the chargee whatever the purpose of this charge. Without limiting the generality of the foregoing, the chargor covenants and agrees to provide to the chargee, prior to each advance, statutory declarations sworn by the chargor or, if the chargor is a corporation, by an officer of the chargor, and outlining the particulars of all contracts entered into by the chargor in respect of the supply of services or materials to any improvements on the lands. Such statutory declarations shall be acceptable to the chargee as to form and content. In addition, the chargor covenants and agrees to produce such contracts for examination by the chargee if and whenever the chargee shall so require.

Provided that should construction on the lands cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the chargor excepted) for a period of at least ten (10) consecutive days, then the indebtedness, interest and any other amount payable under the charge, at the option of the chargee, shall immediately become due and payable and the chargee may exercise all its remedies, rights and powers available at law and under this charge, including the power of sale herein contained. In the event that construction does cease, then the chargee shall also have the right, at its sole option, to assume complete control of the construction in such manner and on such terms as it deems advisable. The cost of completion incurred by the chargee and all costs and expenses incidental thereto, together with a management fee of fifteen percent (15%) of the cost of such construction, shall, at the option of the chargee, be added to the sums payable and secured by the charge together with interest thereon at the interest rate herein provided, and shall be payable by the chargor.

Without limiting the generality of the foregoing, at all times the chargee shall be entitled to retain, unadvanced, that portion of the principal amount required, in its sole opinion, to complete the construction on the lands as well as an amount equal to the aggregate of all holdbacks required to be maintained by an "owner" under the *Construction Lien Act*, as amended from time to time.

ALTERATIONS

16. The chargor covenants that the chargor will not make or permit to be made any alterations or additions to the lands without the prior consent of the chargee, which consent may be unreasonably withheld, and any failure by the chargor to fulfil this covenant shall constitute a default under this charge and, in the event of default, the chargee shall be entitled to exercise all its remedies, rights and powers available at law and under this charge, including the power of sale herein contained.

DEFAULT IN PRIOR CHARGES

17. The chargee and the chargor covenant and agree that, should default be made by the chargor in the observance or performance of any of his obligations or covenants pursuant to any agreements, provisos or conditions contained in any mortgage or charge to which this charge is subject, the indebtedness, interest and all other amounts due and payable under this charge shall, at the option of the chargee, forthwith become due and payable and all remedies, rights and powers available to the chargee at law and under this charge may be exercised by the chargee, including the power of sale herein contained.

WAIVER OF DEFAULT

18. The chargor agrees that the chargee may in writing at any time or times after default under this charge waive such default and forego its right to demand immediate payment of the full amount of indebtedness, interest accrued thereon and any other amount due under the charge, but any such waiver shall apply only to the particular default and shall not operate as a waiver of any other or future default.

PARTIAL RELEASES

19. The chargee may at its discretion at all times release any part or parts of the said lands or any other security or any surety for the principal amount and interest secured by this charge, either with or without any sufficient consideration therefor, without being accountable to the chargor except for any monies actually received by the chargee, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this charge or from any of the covenants herein contained. It is expressly agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with the whole principal amount secured under this charge and no person shall have the right to require the principal amount to be apportioned.

EXTENSIONS

20. No extension of time given by the chargee to the chargor or anyone claiming under him or any other dealing by the chargee with the owner or owners of the said lands or of any part thereof shall in any way affect or prejudice the rights of the chargee against the chargor or any other person liable for the payment of the indebtedness and interest secured under this charge. This charge may be renewed by an agreement in writing or in accordance with the provisions of the next following paragraph at maturity for any term notwithstanding that there may be subsequent encumbrancers. It shall not be necessary to register any such agreement in order to retain priority of this charge and the amounts secured thereunder including interest, even if the rate thereof should be increased over any instrument registered subsequent to this charge.

The chargee may, prior to maturity, advise the chargor by written notice that it is willing to extend or renew this charge upon such terms and conditions as may be specified in the notice. In such event this charge will be renewed for a term of one year or for a lesser term, at the option of the chargee, in accordance with the terms and conditions set out in the notice unless the chargor delivers to the chargee a duly executed renewal form indicating his choice of another renewal period offered in the notice or unless the indebtedness, interest and all other sums due under the charge are repaid in full on the date of maturity thereof; and the chargee may withdraw from any of the chargor's accounts, the renewal fee and all instalments due thereafter. The chargor further agrees to execute such further and other documentation as may be required by the chargee to give effect to such renewal, and to enable its registration on title.

Nothing contained in this paragraph shall confer any right of renewal upon the chargor.

JUDGMENTS

21. The taking of a judgment on any of the covenants herein contained shall not operate as a merger of the said covenant or affect the chargee's rights including the right to interest at the rate and times provided in this charge; further any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this charge until the said judgment shall have been fully paid and satisfied.

GUARANTOR(S)

22. In the event that one or more persons designated as guarantors have executed the charge or any schedule attached thereto, the following shall apply:

The guarantor or if more than one, each of them jointly and severally, in consideration of the chargee making the loan secured by this charge to the chargor, guarantees to the chargee, the payment of the principal sum and interest thereon at the rate provided in this charge and performance and observance by the chargor of all covenants, obligations and provisos contained in the charge.

The guarantor acknowledges that he is responsible as principal debtor and agrees that the chargee may, without notice to the guarantor, and without limiting or varying the guarantor's liability hereunder, grant extensions, renewals, time, discharges, releases, take other security, release or abandon any security in whole or in part, abstain from taking other sureties or guarantees, or from realizing on sureties or guarantees in its possession, accept proposals and otherwise deal with the chargor or any other person including other guarantors, without releasing, diminishing, or limiting in any way the responsibilities or obligations of the guarantor to the chargee. The guarantor further acknowledges that his liability to the chargee shall not be lessened, limited or varied by any deficiency or insufficiency of the security under this charge nor by any other thing whatsoever including the bankruptcy or insolvency of the chargor, the dissolution of the chargor, if a corporation, or any want of capacity, moratorium or other circumstances rendering the obligations of the chargor void or unenforceable and nothing save the payment in full of the principal amount, all interest and all other amounts due under this charge and the performance of all obligations and covenants under this charge shall discharge the guarantor. The guarantor further acknowledges that the chargee shall not be bound to have recourse or to exhaust its recourse against the chargor or against any other person or persons or against any security under this charge or otherwise before enforcing the chargee's remedies, rights and powers available at law and under this charge against the guarantor.

CONDOMINIUM

23. The following provisions apply to any condominium unit that is part of the charged lands:

a) The chargor covenants to comply with the *Condominium Act*, 1998, as amended from time to time, the declaration, the by-laws and rules of the condominium corporation and agrees to provide to the chargee copies of any notices, assessments, by-laws, rules and financial statements provided to him by the condominium corporation, as amended from time to time; and the chargor agrees that any violation of his obligations hereunder shall constitute a violation of a covenant pursuant to the charge;

b) The chargor covenants that he will insure all improvements which he or previous owners have made to the unit. This provision is in addition to and does not in any way diminish the chargor's obligations under paragraph 8(e) herein;

c) The chargor irrevocably authorizes the chargee to exercise the chargor's right to vote or consent with respect to any matter submitted to members of the condominium corporation for a vote or consent. In the event that the chargee does not exercise such rights, the chargor may exercise them and the chargor hereby covenants and agrees to exercise his voting or consent rights in accordance with any direction given by the chargee; The chargee shall have no obligation to vote or consent or otherwise protect the chargor's interests by reason of the chargor's assignment of his right to vote or consent. The chargee's exercise of the right to vote or consent shall not have the effect of deeming the chargee to be a chargee in possession;

d) The chargor covenants to pay promptly when due any contributions to regular common assessments and special assessments required by him as an owner of the lands and in the event the chargor defaults in doing so or fails to observe the provisions contained in the *Condominium Act*, 1998, as amended from time to time, the declaration or the by-laws and rules of the condominium corporation, as amended from time to time, the chargee may effect such compliance and any charges or costs incurred thereby by the chargee shall be payable forthwith, together with interest at the rate set out in the charge and shall be a charge against the lands.

RESIDENTIAL PROPERTIES

Unless otherwise provided, paragraphs 24, 25, 26 and 27 apply only to owner-occupied type residential use dwellings with four or less units.

PREPAYMENT PRIVILEGES

24. a) When not in default, the chargor may reimburse before maturity, without indemnity, in one or several payments of no less than one hundred dollars ($100) each, an amount not exceeding fifteen percent (15%) of the original principal amount of the charge. This privilege is valid for each year of the term of the charge or for each term if shorter than one (1) year, and shall not be cumulative. Each year is defined as the twelve month period starting on the interest adjustment date or the anniversary of that date.

b) Subject to the terms of this paragraph 24, when not in default, the chargor may, at any time, prepay before maturity, in part or in full, the indebtedness or portion thereof bearing interest at a fixed rate, provided however that he pays to the chargee an indemnity equal to the greater of:

i) an amount equal to three (3) months' interest on the amount prepaid, at the interest rate then applicable to the indebtedness or portion thereof; or

ii) an amount equal to the interest calculated on the amount prepaid, until the maturity date, at an interest rate corresponding to the difference between the interest rate then applicable to the indebtedness or portion thereof and the interest rate then in force at the chargee for a single family residential mortgage loan of the same priority containing the same prepayment privileges and otherwise upon the same terms and conditions as are applicable to the indebtedness or portion thereof, with a term of:
- one (1) year if, at the time of the payment, less than twenty-four (24) months are left before the indebtedness or portion thereof matures;
- two (2) years if, at the time of the payment, from twenty-four (24) to thirty-six (36) months are left before the indebtedness or portion thereof matures;
- three (3) years if, at the time of the payment, from thirty-six (36) to forty-eight (48) months are left before the indebtedness or portion thereof matures;
- four (4) years if, at the time of the payment, from forty-eight (48) to sixty (60) months are left before the indebtedness or portion thereof matures;
- five (5) years if, at the time of the payment, sixty (60) months or more are left before the indebtedness or portion thereof matures.

However, if the payment is made less than three (3) months before the indebtedness or portion thereof matures, the indemnity shall not exceed the interest at the rate then applicable to the indebtedness or portion thereof, calculated on the amount prepaid from the date of the prepayment to the maturity date of the indebtedness or portion thereof.

c) Subject to the terms of this paragraph 24, when not in default, the chargor may at any time prepay before maturity, in part or in full, the indebtedness or portion thereof bearing interest at a variable rate, provided however that he pays to the chargee an indemnity equal to three months' interest on the amount prepaid, at the interest rate then applicable to the indebtedness or portion thereof. However, if the payment is made less than three months before the indebtedness or portion thereof matures, the indemnity shall not exceed the interest at the rate then applicable to the indebtedness or portion thereof, calculated on the amount prepaid from the date of the prepayment to the maturity date of the indebtedness or portion thereof.

d) The chargor may at any time prepay before maturity, in part or in full, without paying an indemnity the indebtedness or portion thereof that is open.

The indemnity shall be calculated in every case on the total amount prepaid notwithstanding paragraph (a) above.

A partial prepayment shall not release the chargor from his obligation to continue making the payments herein specified.

The chargor covenants that this indemnity is a form of compensation payable in consideration for the repayment made by the chargor as provided herein and is not a penalty.

INCREASE OF REGULAR PAYMENTS

25. When not in default, the chargor may, at any time but only once per year of the term or per term if shorter than one (1) year, increase the amount of his regular payments to a maximum of twice their amount, without paying an indemnity. A year is defined as the twelve month period starting on the interest adjustment date or the anniversary of that date. The chargor may thereafter reduce the amount of his payments to the amount in effect before the increase. In both cases, he is required to sign an agreement to that effect and pay the administration charges applicable thereto, if any.

RENEWAL BEFORE MATURITY

26. When not in default, the chargor may request that the chargee, any time before the date at which the balance of the indebtedness or portion thereof becomes due, extend the term of the charge applicable thereto and set new interest and repayment, prepayment and other terms and conditions. If the chargee agrees, which agreement may be unreasonably withheld, the chargor shall pay the renewal charges then in force at the chargee plus an indemnity corresponding to the indemnity calculated in accordance with paragraph 24(b) or (c) hereof, as applicable.

PORTABILITY

27. If the property consists of a single family residence and the chargor is not in default, the chargee, subject to the conditions which follow, may allow the chargor to transfer to a new single family residence owned and occupied by the chargor (the "new dwelling") a charge (the "new charge") made upon the same terms and conditions as this charge, including the interest charged upon the balance of the principal amount secured.

To avail himself of this privilege, the chargor shall submit to the chargee a loan application in respect of the new charge and shall comply with all requirements and policies of the chargee concerning new loans in effect at such time. If the new charge satisfies the chargee's lending requirements and policies and if the application for the new charge is approved, which approval may be unreasonably withheld, a discharge will be provided in respect of the single family residence originally charged following registration at the expense of the chargor of the new charge against the new single family residence. The chargor will, under these circumstances, be exonerated from payment of the indemnity which would otherwise be payable as a result of prepayment of the charge except to the extent that the new charge secures a lesser amount than the principal amount outstanding under this charge. The chargor will pay all costs and expenses of and incidental to the approval, taking, preparation, execution and registration of the new charge and discharge, including the chargee's usual administration fees.

The chargor may request that the principal amount outstanding under the charge at the time of the transfer (the "initial principal") be increased and if the chargee approves of the increase, which approval may be unreasonably withheld, the additional amount shall bear interest at the rate of interest in effect at the time it is advanced. The chargee may request that a single rate of interest be stipulated in the new charge representing the weighed average of the rates applicable to the initial principal and additional amount respectively. A similar blend will also occur where the due date for the new charge exceeds or precedes the due date of the initial principal.

COMMERCIAL PROPERTIES

Paragraphs 28 and 29 apply only to income producing non-owner occupied type properties or commercial properties or a combination thereof.

PREPAYMENT PRIVILEGES

28. When not in default, the chargor may at any time prepay before maturity, in part or in full, the indebtedness or portion thereof:

a) bearing interest at a fixed rate, provided however that the chargor pay to the chargee an indemnity equal to the greater of:

   i) an amount equal to three (3) months' interest on the amount prepaid, at the interest rate then applicable to the indebtedness or portion thereof; or

   ii) an amount equal to the interest calculated on the amount prepaid, until the maturity date, at an interest rate corresponding to the difference between the interest rate then applicable to the indebtedness or portion thereof and the interest rate then in force at the chargee for a secured loan having risk assessment characteristics deemed comparable to the indebtedness or portion thereof by the chargee, and with a term of:
   - one (1) year if, at the time of the payment, less than twenty-four (24) months are left before the indebtedness or portion thereof matures,
   - two (2) years if, at the time of the payment, from twenty-four (24) to thirty-six (36) months are left before the indebtedness or portion thereof matures;
   - three (3) years if, at the time of the payment, from thirty-six (36) to forty-eight (48) months are left before the indebtedness or portion thereof matures;
   - four (4) years if, at the time of the payment, from forty-eight (48) to sixty (60) months are left before the indebtedness or portion thereof matures;
   - five (5) years if, at the time of the payment, sixty (60) months or more are left before the indebtedness or portion thereof matures.

   However, if the payment is made less than three (3) months before the indebtedness or portion thereof matures, the indemnity shall not exceed the interest at the rate then applicable to the indebtedness or portion thereof, calculated on the amount prepaid from the date of the prepayment to the maturity date of the indebtedness or portion thereof.

b) bearing interest at a variable rate, provided however that he pays to the chargee an indemnity equal to three months' interest on the amount prepaid, at the interest rate then applicable to the indebtedness or portion thereof. However, if the payment is made less than three months before the indebtedness or portion thereof matures, the indemnity shall not exceed the interest at the rate then applicable to the indebtedness or portion thereof, calculated on the amount prepaid from the date of the prepayment to the maturity date of the indebtedness or portion thereof. Furthermore, no indemnity shall be payable if the chargor demonstrates, to the chargee's satisfaction, in its sole and absolute discretion, that the amounts prepaid originate from funds generated by the business firm operation, or a new capital stock issued by the chargor, or equity injection by the owners, partners or shareholders of the chargor, or the proceeds from the disposition of the property financed by the charge and not from any new financing or refinancing.

c) without paying an indemnity where the indebtedness or portion thereof is open.

A partial prepayment shall not release the chargor from his obligation to continue making the payments herein specified.

The chargor covenants that this indemnity is a form of compensation payable in consideration for the repayment made by the chargor as provided herein and is not a penalty.

RENEWAL BEFORE MATURITY

29. When not in default, the chargor may request that the chargee, any time before the date at which the balance of the indebtedness or portion thereof becomes due, extend the term of the charge applicable thereto and set new interest and repayment, prepayment and other terms and conditions. If the chargee agrees, which agreement may be unreasonably withheld, the chargor shall pay the renewal charges then in force at the chargee plus an indemnity corresponding to the indemnity calculated in accordance with paragraph 28 hereof, as applicable.

MULTIPROJECT OPTION

30. No act of the chargee, such as an extension or a delay granted as herein provided shall affect the rights of the chargee as against the chargor with respect to the payment of the principal amount secured under this charge. Notwithstanding repayment, in whole or in part, of the loan secured by this charge, or of any amount secured under this paragraph, in accepting this charge, the chargee agrees that the chargor may request an advance of new sums already repaid as if they had never been used to the extent that the total indebtedness does not exceed the principal amount of the charge. The chargor's request for such advance must be made in writing and must clearly specify the reason for the loan. The chargee may, in its sole discretion, accept or refuse the request without prejudice whatsoever to its rights under this charge. If the chargee accedes to the chargor's request, the chargor covenants to pay all administrative fees incurred by the chargee, if required by the chargee. Upon acceptance of the chargor's request and payment of the administration fees by the chargor, the charge and all other mortgages, charges and other security provided herein will secure the repayment to the chargee of any amount so advanced of principal, interest, costs and ancillary expenses and all the provisions of this charge and the most recent renewal agreement will continue to apply.

Furthermore and without limiting whatsoever the generality of the foregoing, the chargee agrees that the chargor may request an extension or delays, which request must be made in writing. The chargee, in its sole discretion, may accept or refuse such request without prejudice whatsoever to its rights under this charge.

With respect to all amounts advanced in accordance with this paragraph, all references made to the indebtedness or the charge shall also include a reference to the amounts subsequently advanced and, the entire advance must be made within the time limits determined by the chargee, in its sole discretion, failing which the chargee may, in its sole discretion, refuse to make any other advance and its prior acceptance will in such event be deemed to have been revoked. The chargee shall however maintain all its remedies, rights and powers available at law and under this charge, and nothing of the foregoing shall be interpreted so as to deprive the chargee of its remedies, rights and powers available under the charge and at law for such sums already advanced.

In addition to all the costs provided for in this paragraph, the chargor shall pay all renewal fees as provided herein.

The chargor may waive at any time his right to request further advances to the chargee in accordance with this paragraph by giving written notice to this effect to the chargee. This waiver will not affect and will not prejudice the remedies, rights and powers of the chargee available at law and under this charge for sums already advanced.

DISCHARGES

31. Subject to the provisions of this charge, after receipt in full of the indebtedness, together with interest and all amounts due under this charge or upon forgiveness in full by the chargee, the chargee shall prepare and execute a discharge of this charge and shall have a reasonable amount of time to do so. An administrative charge and legal and other expenses incurred for the preparation of such discharge shall be borne and paid by the chargor prior to his entitlement to receive an executed discharge of the charge.

ASSIGNMENT OF RENTS

32. For due consideration and as security for the repayment of all amounts payable by the chargor to the chargee under this charge and the performance and observance of all the obligations contained in this charge, the chargor does assign, transfer and set over onto the chargee all rents payable from time to time under all leases of the charged lands or any part thereof, whether such leases are presently existing or created or arise in the future together with the benefit of all covenants, agreements and provisos contained in the said leases in favour of the chargor including the benefit of all guarantees and indemnities contained therein or related thereto and does grant and charge onto the chargee the reversion to all such leases. The chargor covenants that he will, after making a lease of the charged lands or any part thereof, forthwith execute and deliver to the chargee, an assignment in the chargee's usual form of all rents payable under the said lease, and will execute and deliver to the chargee all such notices and other documents as may be required by the chargee to make such assignment effectual in law. Provided however that notwithstanding anything herein contained, no lease of the charged lands or any part thereof made hereafter by the chargor without the consent in writing of the chargee, which consent may be unreasonably withheld, shall have priority over this charge or any renewal or extension thereof. Provided further that nothing herein contained shall make the chargee responsible for the collection of rents payable under any lease of the charged lands or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease and the chargee shall not by virtue of these presents be deemed a chargee in possession of the charged lands. The chargee gives to the chargor, provided the chargor is not in default under the charge, the right to collect rents until default under this charge and the chargee shall be liable to account to the chargor for only such rents as actually coming to his hands less reasonable collection charges in respect thereof.

BANKRUPTCY OF CHARGOR

33. The chargor and the chargee covenant and agree that in the event the chargor makes an assignment for the benefit of creditors or is the subject of an execution or distress or is bankrupt or insolvent, the charge shall be deemed to be in default and the chargee may exercise all of its remedies, rights and powers available at law and under this charge, including the power of sale herein contained.

RECEIVERSHIP

34. Notwithstanding anything herein contained, it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents, the chargee may, at such time and from time to time and with or without entry into possession of the lands, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the chargee or not, to be a receiver of the lands, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that, in making any such appointment or removal, the chargee shall be deemed to be acting as the agent or attorney for the chargor, but no such appointment shall be revocable by the chargor. Upon the appointment of any such receiver the following provisions shall apply:

(a) Every such receiver shall have unlimited access to the lands as agent and attorney for the chargor (which right of access shall not be revocable by the chargor) and shall have full power and unlimited authority to:

   (i) collect the rents and profits from tenancies or operation of the lands whether created before or after the charge,

   (ii) rent or operate any portion of the lands which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases,

(iii) complete the construction of any building or buildings or other erections or improvements on the lands left by the chargor in an unfinished state or award the same to others to complete and purchase, repair and/or maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description,

(iv) manage, operate, repair, alter or extend the lands or any part thereof.

The chargor undertakes to ratify and confirm whatever any such receiver or agent may do.

(b) The chargee may at its discretion vest the receiver with all or any of the rights and powers of the chargee.

(c) The chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the lands.

(d) Every such receiver shall be deemed the agent or attorney of the chargor and not, in any event, the agent of the chargee and the chargee shall not be responsible for his acts or omissions.

(e) The appointment of any such receiver by the chargee shall not result in or create any liability or obligation on the part of the chargee to the receiver or to the chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the chargee a chargee in possession of the lands.

(f) No such receiver shall be liable to the chargor to account for monies other than monies actually received by him in respect of the lands, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

(i) the receiver's remuneration as aforesaid;

(ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of his remedies, rights and powers available at law and authority hereby conferred;

(iii) interest, principal and other money which may, from time to time, be or become charged upon the lands in priority to the charge, including taxes;

(iv) to the chargee all interest, principal and other amounts due under the charge to be paid in such order as the chargee in its discretion shall determine;

(v) and thereafter, every such receiver shall be accountable to the chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the chargor on demand and shall be a charge on the lands and shall bear interest from the date of demand at the same rate as applies to the principal secured by this charge.

(g) Save as to claims for accounting under sub-paragraph (f) of this paragraph, the chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which arise or be caused to the chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

(h) The chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the chargor and to any such receiver.

(i) The statutory declaration of an officer of the chargee as to default under the provisions of the charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other remedies, rights and powers available at law which the chargee may have.

ENVIRONMENT

Definitions

35. (a) The following definitions apply to this paragraph:

abutting property: means any property which abuts or is contiguous to the project.

adverse effect: means one or more of the following:

i) impairment of the quality of the natural environment for any use that can be made of it,

ii) injury or damage to property, plant or animal life,

iii) harm or material discomfort to any person,

iv) alteration to the health of any person, animal or vegetation,

v) impairment of the safety of any person,

vi) rendering any property, plant or animal life unfit for human use,

vii) loss of enjoyment of normal use of property,

viii) interference with the normal conduct of business.

contaminant: means any solid, liquid, gas, sound, heat, odour, vibration, radiation, pollutant or combination of any of them resulting directly or indirectly from human activities that may cause an adverse effect.

discharge: includes addition, deposit, loss, emission, spill or leaking; when used as a verb, includes to add, deposit, lose, emit, spill or leak.

document: includes a sound recording, video tape, film, photograph, chart, graph, map, plan, survey, study, audit, book of accounts and information recorded or stored by means of any device and includes statements of account, bank statements, letters, notices, files and any other writing or thing relating to the project, the activities of the chargor, the property upon which the chargor exercises his activities or relating to any other discussion or matter of the chargor or any activity exercised by the chargor which may have an environmental effect.

environmental laws: includes all international, federal, provincial, and municipal legislation, all regulations, treaty, by-law, code, agreement presently in force or which may come into force in the future which has as object the protection of the environment or which relates to or governs hazardous products, the transportation of hazardous products, the sources of contamination, toxic discharges, toxic waste, contaminants and pollutants and, without limiting the generality of the foregoing, includes the *Environmental Protection Act* of Ontario and the *Canadian Environmental Protection Act*, 1999, as amended from time to time by Legislature or Parliament.

hazardous product: means collectively any contaminant, toxic substance or any other substance which, if it was discharged in the environment, could cause immediately or in the future, an adverse effect.

project: includes the lands including all surface land of the project (which is not contained in a building), immersed land, any body of water running over the lands, sub-soil or any combination or part thereof and any activity exercised on the lands.

source of contamination: means anything that discharges into the natural environment any contaminant.

surrounding property: means all property which may suffer an adverse effect by the source of contamination.

In the event the definitions set forth in this paragraph are given a broader meaning than the one used herein pursuant to any amendment to any applicable law, the definitions found in this paragraph shall include such broader meaning.

Covenants

(b) The chargor covenants with the chargee and warrants the following:

(i) The chargor shall not cause or permit to be caused the discharge of hazardous products or contaminants upon the project or from the project upon any abutting property or surrounding property or in a body of water running into the project or into any abutting property or surrounding property;

(ii) The chargor shall at all times comply with environmental laws and shall take all measures in order to ensure that any person that has been given permission to use, occupy, manage or operate the project, complies with environmental laws;

(iii) The chargor hereby grants to the chargee the absolute right to conduct from time to time, at the chargor's expense, tests, inspections, studies, verifications or environmental audits, including the right to conduct soil tests or water tests or any other thing and take samples of the project;

(iv) The chargor hereby gives unlimited access to the chargee to all of the chargor's documents relating to the project and this right shall include the right to make copies of such documents and maintain control thereof;

(v) The chargor shall not exercise and shall not permit any person to exercise any activity which could lead to the imposition of a penalty, directive, fine, order, injunction, action, judgment or liability under the environmental laws or which could have the effect of creating any lien upon the project;

(vi) The chargor shall comply with all requirements of the environmental laws and without limiting the generality of the foregoing, shall obtain all required permits, licenses and other authorizations relating to the project;

(vii) The chargor covenants to immediately advise the chargee of any discharge of a hazardous product or contaminant upon the project or from the project and covenants to immediately provide the chargee with copies of any order, by-law, notice, permit, application, judgment, penalty, procedure, communication or document relating to the discharge or to any other environmental matter which may have an effect on the project;

(viii) The chargor covenants and undertakes to promptly remove, at his cost, all hazardous products or contaminants upon the project, abutting property, surrounding property and body of water affected;

(ix) The chargor shall not install or permit to be installed upon the project any urea formaldehyde foam insulation, asbestos, or any other hazardous product;

(x) The chargor shall immediately advise the chargee of any possible violation, anticipated or effective of the environmental laws and any inquiry completed, being completed or anticipated;

(xi) Upon the originating requests of the chargee, the chargor shall, at his expense, provide to the chargee copies of all environmental audits of the project or verification including copies of updates of such audits or verifications;

(xii) Upon receipt of any documentation relating to the project which raises an environmental issue, the chargor undertakes to forthwith provide a copy thereof to the chargee.

Indemnity

(c) The chargor undertakes to indemnify and save harmless the chargee, its agents, administrators, directors, employees, receivers and receiver managers, with respect to all losses, liabilities, claims, damages, costs, expenses, legal fees, disbursements and any other prejudice it may suffer:

(i) Pursuant to the environmental laws including any lien;

(ii) By reason of the discharge of hazardous products or contaminants into the environment and without limiting the generality of the foregoing, including all costs necessary to defend and/or sustain an action between defendants, a counterclaim or a third party claim and for all costs, liabilities and damages resulting from a settlement made by the chargee; and

(iii) By reason of the obligation to comply with the requirements of an order, by-law, injunction, judgment, regulation or other similar obligation issued because of the deposit, storage, destruction, burying, injection, spill, discharge, placement or installation upon the project, the abutting property or surrounding property of hazardous products or contaminants, notwithstanding the degree of involvement or knowledge of the chargor and, for the application of this paragraph, it is inconsequential that the events giving rise to this obligation took place prior to or after the date of this charge.

The obligations and covenants of this paragraph shall survive the foreclosure, extinction or other release or discharge of the charge. Any amount for which the chargor shall be accountable to the chargee pursuant to this paragraph and which the chargee shall itself have to pay shall, subject to the within indemnity, be added to the debt and shall bear interest at the rate provided in the charge.

Right of access and other rights of the chargee

(d) In the event of a discharge of a hazardous product or contaminant which may have an adverse affect, whether or not the source of the contamination is the project, or in the event the chargor is in default of his obligations under the environmental laws, the chargee may, in its sole discretion and without any obligation whatsoever, give any notice and conduct any work which the chargee deems necessary and reasonable for the project and take any other measure to remedy the spill, discharge or emission or to remedy the chargor's default.

The chargee may, at all times, in its sole discretion and without any obligation whatsoever, whether or not there is default, enter upon the project to inspect it, conduct tests, studies, verifications, audits or other environmental measures deemed necessary.

It is understood that any exercise by the chargee of its right to enter, conduct work, require information and be advised of environmental measures, in no way constitutes and shall not be deemed to constitute the entering into possession of the project by the chargee and nothing in the foregoing and in these presents shall be interpreted to find or deem the chargee to be having the control, responsibility, management or occupation of the project.

The chargor covenants that any failure to comply or fulfil the covenants, obligations or provisos contained in this paragraph shall constitute a default under the charge and the chargee shall be entitled, in its sole discretion and without any obligation whatsoever, to exercise all its remedies, rights and powers available at law and under this charge, including the power of sale herein contained.

SPOUSE'S CONSENT

36. The spouse of the chargor consents to the transaction evidenced by the charge and releases all interest in the charged lands to the extent necessary to give effect to the rights of the chargee hereunder, and agrees that the chargee may, without further notice, deal with the chargor regarding the lands and the debt created by the charge as the chargee may see fit.

NOTIFICATION OF CHANGES

37. The chargor agrees to advise the chargee forthwith after any change or happening affecting any of the following:

a) the spousal status of the chargor;

b) the qualification of the lands as a matrimonial home within the meaning of Part II of the *Family Law Act*, as amended from time to time;

c) the ownership of the said lands;

in order that the chargee be kept fully informed of the names and addresses of the owners of the lands and of any person who has a right of possession in the said lands by virtue of Section 19 of the *Family Law Act*, as amended from time to time. In furtherance of this intention the chargor agrees to provide to the chargee upon request such evidence as may be deemed by him necessary as to items a), b), c) aforesaid.

CORPORATIONS

38. The chargor and the chargee covenant and agree that the following events shall constitute a default under this charge, where the chargor is a corporation and same:

(a) ceases to operate all or part of its business activities, is liquidated or dissolved or wound up, makes an assignment for the benefit of creditors or receivership, is bankrupt or the subject of an execution or distress;

(b) is in default pursuant to any other loan obligations;

(c) changes the effective control of the corporation; or

(d) reorganizes, amalgamates, transfers the lands to a non-arms-length party, without the prior written consent of the chargee, which consent may be unreasonably withheld.

BUSINESS ADMINISTRATION

39. The chargor shall administer and operate his business on the lands in a diligent and prudent manner, and provide the chargee with any information it may reasonably request in that respect, including all documents relating to the administration or operation of the business and evidencing the performance of his obligations hereunder. The chargor agrees that he shall not sell, lease, transfer, amalgamate, discontinue, interrupt or cease all or part of his operations for any period of time, or wind up his business without the prior written consent of the chargee, which consent may be unreasonably withheld, failing which the chargee may, at its option, demand immediate payment of the indebtedness, interest and any other amount due under the charge and may exercise all its remedies, rights and powers available at law and under this charge, including the power of sale contained herein.

ADVERSE CHANGE

40. The chargor covenants and agrees to inform the chargee forthwith of any circumstances, events, actions, claims or changes which have or may have an adverse effect on the chargor's financial situation or the lands.

Where there has been a material adverse change, as determined by the chargee, in its sole and absolute discretion, in:

i) the financial situation of the chargor or any guarantor;

ii) the chargor's or any guarantor's representations and warranties made in connection with the charge; or

iii) the lands,

then, the chargee may, at its option, demand immediate payment of the indebtedness, interest and any other amount due under the charge and may exercise all its remedies, rights and powers available at law and under this charge, including the power of sale contained herein.

FINANCIAL STATEMENTS AND INFORMATION

41. If any part of the lands are or become income-producing or are used for agricultural, commercial or industrial purposes, the following provisions shall apply:

a) The chargor agrees to deliver to the chargee annually, within ninety (90) days of each fiscal year end of the chargor:

   i) financial statements of the chargor and any guarantor;

   ii) an operating statement including a detailed statement of income and expenses and supporting documentation in respect of the lands; and

   iii) a current rent roll for the lands indicating the tenants, area occupied, annual rental, term of tenancy agreements, renewal options and monthly sales information from all reporting tenants,

   in each case prepared in accordance with generally accepted accounting principles, consistently applied, and in form and content approved by the chargee.

b) The chargor agrees to deliver to the chargee within thirty (30) days of a written request of the chargee, the following:

   i) a rent roll for the lands dated as of the last day of the preceding calendar quarter identifying all of the leases of the lands by the term, renewal options, space occupied, rental and other charges required to be paid, security deposit paid, taxes paid by tenants, common area charges paid by tenants, tenant pass throughs, any rental concessions or special provisions or inducements, rent arrears, rent escalations, amounts taken in settlement of outstanding arrears, collections of rent for more than one month in advance, continuous operation obligations, cancellations or "go dark" provisions and "non-competition provisions";

   ii) monthly and year to date operating statements prepared for each calendar month during each calendar quarter, each of which shall include an itemization of actual capital expenditures during applicable periods;

   iii) a property balance sheet for each such month;

   iv) such further financial information as required by the chargee,

   in each case prepared in accordance with generally accepted accounting principles, consistently applied, and in form and content approved by the chargee.

c) The chargor covenants and agrees with the chargee to maintain at all times proper records and books of account with respect to the lands and the business of the chargor pertaining thereto.

d) The chargee may, either by its officers or authorized agents at any time during normal business hours, inspect and examine the records and books of account of the chargor relating to the lands and the business of the chargor pertaining thereto and make copies or extracts from them and generally conduct such examination of the records and books of account and other records of the chargor as the chargee may deem necessary and the chargor will, immediately upon the request of the chargee, advise where the records and books of account are maintained and will render such assistance in connection with such examination as the chargee deems necessary, including providing the chargee with any receipts or other supporting documentation it may require.

COMPLIANCE WITH LAWS

42. The chargor covenants and agrees to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directives, ordinances, and regulations of every governmental authority and agency concerning the lands and will, at its own expense, make any and all improvements thereon or alterations thereto, structural or otherwise, which may be required at any time by any such present or future law, rule, requirement, order, directive, ordinance or regulation. The chargee, whenever it deems necessary, may by its surveyor or agent enter upon and inspect the lands and make such improvements and alterations as the chargee deems necessary to render the lands in compliance with such laws, rules, requirements, orders, directives, ordinances or regulations and the reasonable cost of such inspection, improvements and alterations with interest at the rate set forth in the charge shall be payable forthwith and be a charge upon the lands.

NOTICE

43. Unless otherwise provided at law or in the charge, any notice required or contemplated pursuant to this charge, including all demands for payment, shall be made by writing and:

   (a) if given to the chargor, may be sent by registered mail to the last known address for the chargor as shown in the chargee's files or delivered personally to the chargor at that address;

   (b) if given to the chargee, may be sent by registered mail to the office of the chargee where the payments under this charge are required to be made or delivered personally at that address;

and such notices shall be deemed to have been given and received on the date on which they were delivered personally or, if sent by registered mail, the third working day following the date on which they were mailed, whether or not they are received.

SEVERABILITY OF INVALID PROVISIONS

44. It is agreed that in the event that at any time any provision of these presents is illegal, invalid, inapplicable or inconsistent with the provisions of any applicable statute or regulation thereunder or would by reason of the provisions of any such statute or regulation render the chargee unable to collect the amount of any loss sustained by it as a result of making this charge which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid, inapplicable, or inconsistent and this charge shall remain executory notwithstanding such provision.

INTERPRETATION

45. Unless otherwise provided, whenever two or more persons are under liability hereunder, such liability shall be both joint and several.

The paragraph headings herein are inserted for convenience of reference only and are deemed not to form part of the charge and are not to be considered in the construction or interpretation of the charge or any part thereof.

Words in the singular shall include the plural and vice-versa, and words in the masculine shall include the feminine and vice-versa where the context requires.

EQUIVALENT INTEREST RATES

46. The following information is provided in the event the interest payable under this charge is calculated monthly not in advance and/or is a variable interest and the current rate may be expected to change from time to time.

Columns A set forth the interest rate calculated monthly and not in advance, whereas columns B set forth the equivalent rate calculated semi-annually and not in advance.

A	B	A	B	A	B	A	B	A	B	A	B
2,500	2,5131	5,625	5,6913	8,750	8,9111	11,875	12,1727	15,000	15,4766	18,125	18,8233
2,625	2,6394	5,750	5,8193	8,875	9,0407	12,000	12,3040	15,125	15,6097	18,250	18,9581
2,750	2,7658	5,875	5,9474	9,000	9,1704	12,125	12,4354	15,250	15,7428	18,375	19,0929
2,875	2,8923	6,000	6,0755	9,125	9,3002	12,250	12,5669	15,375	15,8760	18,500	19,2278
3,000	3,0188	6,125	6,2037	9,250	9,4301	12,375	12,6985	15,500	16,0092	18,625	19,3628
3,125	3,1454	6,250	6,3319	9,375	9,5600	12,500	12,8301	15,625	16,1425	18,750	19,4979
3,250	3,2721	6,375	6,4603	9,500	9,6900	12,625	12,9618	15,750	16,2759	18,875	19,6330
3,375	3,3988	6,500	6,5887	9,625	9,8201	12,750	13,0935	15,875	16,4094	19,000	19,7682
3,500	3,5256	6,625	6,7171	9,750	9,9502	12,875	13,2253	16,000	16,5429	19,125	19,9034
3,625	3,6525	6,750	6,8456	9,875	10,0804	13,000	13,3572	16,125	16,6765	19,250	20,0387
3,750	3,7794	6,875	6,9742	10,000	10,2107	13,125	13,4892	16,250	16,8102	19,375	20,1741
3,875	3,9064	7,000	7,1029	10,125	10,3410	13,250	13,6212	16,375	16,9439	19,500	20,3096
4,000	4,0335	7,125	7,2316	10,250	10,4714	13,375	13,7533	16,500	17,0777	19,625	20,4451
4,125	4,1606	7,250	7,3604	10,375	10,6019	13,500	13,8854	16,625	17,2116	19,750	20,5807
4,250	4,2878	7,375	7,4892	10,500	10,7324	13,625	14,0177	16,750	17,3455	19,875	20,7163
4,375	4,4151	7,500	7,6182	10,625	10,8630	13,750	14,1499	16,875	17,4795	20,000	20,8521
4,500	4,5424	7,625	7,7472	10,750	10,9937	13,875	14,2823	17,000	17,6136	20,125	20,9879
4,625	4,6698	7,750	7,8762	10,875	11,1244	14,000	14,4147	17,125	17,7477	20,250	21,1238
4,750	4,7973	7,875	8,0053	11,000	11,2552	14,125	14,5472	17,250	17,8819	20,375	21,2597
4,875	4,9248	8,000	8,1345	11,125	11,3861	14,250	14,6798	17,375	18,0162	20,500	21,3957
5,000	5,0524	8,125	8,2638	11,250	11,5170	14,375	14,8124	17,500	18,1506	20,625	21,5318
5,125	5,1800	8,250	8,3931	11,375	11,6480	14,500	14,9451	17,625	18,2850	20,750	21,6680
5,250	5,3078	8,375	8,5225	11,500	11,7791	14,625	15,0779	17,750	18,4195	20,875	21,8042
5,375	5,4355	8,500	8,6519	11,625	11,9102	14,750	15,2108	17,875	18,5540	21,000	21,9405
5,500	5,5634	8,625	8,7815	11,750	12,0414	14,875	15,3437	18,000	18,6887	21,125	22,0768

Dated the 12th day of September, 2002.

LA FÉDÉRATION DES CAISSES
POPULAIRES DE L'ONTARIO INC.

Jean-Guy Laflèche, Directeur Opérations

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200224 Coto

Filing No. 200225 Cote
Filing Date Sept. 30, 2002 Date de Dépôt
Page 1 of/de Sixteen (16) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Loi portant réforme de l'enregistrement immobilier

COMPILATION DES DISPOSITIONS TYPES AFFÉRENTES AUX PRÊTS HYPOTHÉCAIRES

Déposée par **LA FÉDÉRATION DES CAISSES POPULAIRES DE L'ONTARIO INC.**

Date de dépôt: September 30, 2002
Numéro de dépôt: 200225

This set is the French version of the Standard Charge Terms filed under number 200224.

La présente liste constitue la version française des clauses types de charge déposées sous la cote

La compilation des dispositions types afférentes aux prêts hypothécaires qui suit est réputée faire partie intégrante de tout prêt hypothécaire qui y porte référence en indiquant le numéro de dépôt qui lui est assigné, tel que prévu à l'article 9 de la *Loi portant réforme de l'enregistrement immobilier*, telle que modifiée de temps à autre, qu'elle soit enregistrée par la voie d'un système d'enregistrement à base de papier ou de façon électronique.

INDEX

Page

1. Définitions 2
2. Exclusion des engagements prescrits par la loi 2
3. Création de la charge 2
4. Annulation de la charge 2
5. Intérêt imputé aux arrérages 2
6. Avances du principal 3
7. Impôts fonciers 3
8. Engagements du débiteur hypothécaire 3
    a) Remboursement du principal, des intérêts et d'autres sommes et observation des engagements 3
    b) Pouvoir de créer la charge 3
    c) Titre 4
    d) Autres charges de rang prioritaire 4
    e) Assurances 4
    f) Déchéance du terme 4
    g) Saisie-gagerie 4
    h) Prise de possession advenant défaut 4
    i) Autres gestes nécessaires pour parfaire le titre 4
    j) Dégradation du bien-fonds 4
    k) Pouvoir de vente 5
9. Vente du bien-fonds 5
10. Charge subséquente 6
11. Paiements effectués par le créancier hypothécaire 6
12. *Loi sur le régime de garanties de logements neufs de l'Ontario* 6
13. Accessoires fixes 6
14. *Loi sur le privilège dans l'industrie de la construction* 6
15. Hypothèque sur un bâtiment en construction 6
16. Modifications 7
17. Défaut de charge antérieure 7
18. Renonciation 7
19. Mainlevées partielles 7
20. Prorogation 7
21. Jugement 8
22. Garant(s) 8
23. Immeuble en copropriété (condominium) 8
Immeubles résidentiels 8
24. Paiement par anticipation 8
25. Accroissement des paiements périodiques 9
26. Renouvellement avant échéance 9
27. Substitution de la propriété grevée 9
Immeubles commerciaux 10
28. Paiement par anticipation 10
29. Renouvellement avant échéance 10
30. Option multiprojets 10
31. Mainlevées 11
32. Transport de loyers 11
33. Faillite du débiteur 11
34. Gestion-séquestre 11
35. Environnement 12
    a) Définitions 12
    b) Engagements 13
    c) Indemnité 13
    d) Droit d'entrée et autres droits du créancier hypothécaire 14
36. Consentement du conjoint 14
37. Avis de certains changements 14
38. Sociétés 14
39. Administration de l'entreprise 14
40. Changement défavorable 14
41. États financiers et information 15
42. Observations des lois 15
43. Avis 15
44. Divisibilité des dispositions non-valides 16
45. Interprétation 16
46. Tableau d'équivalences de taux 16

DÉFINITIONS

1. Les parties aux présentes conviennent que les expressions qui suivent comporteront aux fins des présentes la définition indiquée ci-dessous:

association des copropriétaires: s'entend de l'association des copropriétaires référée dans la description légale du bien-fonds;

bien-fonds: s'entend du bien-fonds dont la description détaillée apparaît dans la case Numéro 5 sur la première page de l'hypothèque, telle que modifiée, de même que des bâtiments, constructions et améliorations à demeure ou autres, actuelles ou futures y compris mais sans restreindre l'universalité de l'énoncé qui précède toutes les clôtures, les installations de chauffage, de plomberie, de climatisation, de ventilation, d'éclairage et de chauffage de l'eau, les appareils de cuisson et de réfrigération, les contre-fenêtres et portes, ainsi que tous les appareils et le matériel fixés à demeure;

charge / hypothèque: s'entend du formulaire Numéro 2, tel que prescrit de temps à autre en vertu de la *Loi portant réforme de l'enregistrement immobilier*, telle que modifiée de temps à autre, y compris toute annexe rattachée au dit formulaire et y compris la présente compilation des dispositions types afférentes aux prêts hypothécaires ou l'hypothèque complétée sous forme électronique, y compris toute annexe qui y est rattachée et y compris la reconnaissance et directive du débiteur hypothécaire et tout garant ou de tout autre document semblable autorisant le créancier hypothécaire à enregistrer l'hypothèque et/ou tout autre document de façon électronique et convenant d'être lié par ses dispositions, et toute annexe qui y est rattachée, et enregistré de façon électronique en vertu de la partie III de la *Loi portant réforme de l'enregistrement immobilier*, telle que modifiée de temps à autre, laquelle réfère à la présente compilation des dispositions types afférentes aux prêts hypothécaires par son numéro de dépôt, et la présente compilation des dispositions types afférentes aux prêts hypothécaires, ainsi que tout renouvellement ou modification de ceux-ci;

créancier hypothécaire: comprend les successeurs et ayants-droit du créancier hypothécaire;

débiteur hypothécaire: comprend les héritiers, exécuteurs testamentaires, administrateurs, successeurs et ayants-droit du débiteur hypothécaire, ainsi que tout cessionnaire;

déclaration de copropriété: s'entend de la déclaration de copropriété enregistrée relativement à l'association de copropriétaires;

dette: s'entend de la somme en principal que le débiteur hypothécaire s'engage à payer et/ou peut s'engager à payer ou s'engage à un moment ultérieur à payer au créancier hypothécaire, y compris toute somme et/ou créance en vertu de ou découlant de l'hypothèque ou de toute autre convention, entente ou document consenti par le débiteur hypothécaire en faveur du créancier hypothécaire ou conclu entre le débiteur hypothécaire et le créancier hypothécaire, ainsi que tout renouvellement ou substitution de ceux-ci, et de toute modification de ceux-ci;

garant: comprend les héritiers, exécuteurs testamentaires, administrateurs, successeurs et ayants-droit du garant;

principal ou somme en principal: s'entend de la somme qui apparaît dans les cases 4 et 9(a) sur la première page de l'hypothèque, telle que modifiée;

taux d'intérêt: s'entend du taux d'intérêt qui apparaît dans la case numéro 9(b) sur la première page de l'hypothèque, telle que modifiée, et si le débiteur hypothécaire et le créancier hypothécaire conviennent par écrit dans toute entente qu'un taux d'intérêt s'applique à la totalité ou à une partie de la dette, alors ce taux d'intérêt différent s'appliquera.

EXCLUSION DES ENGAGEMENTS PRESCRITS PAR LA LOI

2. Les parties conviennent que les engagements qui sont réputés faire partie de tout acte de garantie hypothécaire en vertu de l'article 7 (1) de la *Loi portant réforme de l'enregistrement immobilier*, telle que modifiée de temps à autre, sont exclus du présent acte et remplacés par les engagements qui suivent.

CRÉATION DE LA CHARGE

3. Le débiteur hypothécaire accorde au créancier hypothécaire une charge contre le bien-fonds dont la désignation apparaît dans l'hypothèque en garantie du remboursement de la dette, des intérêts calculés au taux indiqué sur ladite hypothèque, des frais et sommes payables en vertu des présentes et des engagements, obligations et dispositions contenus dans les présentes, selon les modalités indiquées dans l'hypothèque avec tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de l'hypothèque, y compris le pouvoir de vente qui y est contenu.

ANNULATION DE LA CHARGE

4. Sujet aux dispositions de l'hypothèque, la charge contre le bien-fonds accordée au créancier hypothécaire, cesse et devient nulle et sans effet après paiement au créancier hypothécaire, à son siège social, ou à tout endroit désigné par le créancier hypothécaire, en monnaie légale du Canada, de la dette et de l'intérêt au taux indiqué dans l'hypothèque, calculé aux périodes indiquées dans ladite hypothèque, après comme avant l'échéance, défaut ou jugement, jusqu'à parfait paiement, selon les modalités décrites ci-dessous, ainsi que le paiement de toutes autres sommes payables en vertu des présentes, incluant tous impôts fonciers, redevances, services publics relatifs au bien-fonds et de l'observation par le débiteur hypothécaire de tous les engagements, obligations et dispositions contenus dans les présentes.

L'intérêt au taux indiqué dans l'hypothèque sur les sommes avancées de temps à autre, calculé à compter de la date respective de chaque avance jusqu'à la date du rajustement des intérêts indiquée dans l'hypothèque, est exigible et doit être payé à la date du rajustement des intérêts, par après, la dette et les intérêts s'y rapportant sont payables selon les modalités et aux dates indiquées dans l'hypothèque. Sauf si expressément convenu à l'effet contraire par écrit, tous versements ou autres sommes reçues par le créancier hypothécaire, y compris tous produits reçus de la réalisation de l'hypothèque, peuvent être imputés par le créancier hypothécaire à toute partie des sommes dues en vertu de l'hypothèque, tel que déterminé par le créancier hypothécaire de temps à autre, nonobstant toute stipulation à l'effet contraire par le débiteur hypothécaire.

INTÉRÊT IMPUTÉ AUX ARRÉRAGES

5. Il est convenu qu'advenant défaut de régler toute somme due au titre des intérêts à la date stipulée pour le règlement de celle-ci, de l'intérêt composé devient exigible et les sommes en arrérages au titre des intérêts de temps à autre, aussi bien avant qu'après échéance, portent intérêt au taux stipulé dans l'hypothèque. Advenant que l'intérêt et l'intérêt composé ne soient pas réglés dans une période de deux mois à compter de la date de défaut, un repos s'ensuit, et la totalité des sommes dues à ce moment porte intérêt composé au taux stipulé dans l'hypothèque, aussi bien avant qu'après échéance, et il en va de sorte de temps à autre. Tous ces intérêts et intérêts composés grèvent le bien-fonds.

AVANCES DU PRINCIPAL

6. Le débiteur hypothécaire convient que ni la préparation de cette hypothèque, la signature de celle-ci, ou son enregistrement, n'obligent le créancier hypothécaire à avancer la somme en principal garantie sous cette hypothèque. Pareillement, l'avance d'une partie de la somme en principal garantie sous cette hypothèque n'oblige pas le créancier hypothécaire à avancer toute autre partie de celle-ci encore non déboursée. Néanmoins, cette hypothèque prend effet dès qu'elle est signée par le débiteur hypothécaire, et les frais et dépens encourus pour l'examen des titres, toutes recherches afférentes et la rédaction de cette hypothèque de même que les frais d'évaluation sont garantis par la présente hypothèque dans l'éventualité où la totalité ou une partie de la somme en principal n'est pas déboursée. Ces frais grèvent le bien-fonds, et sont, sans nécessité d'en faire demande, exigibles sur-le-champ, et portent intérêt au taux stipulé dans l'hypothèque; advenant défaut de paiement le créancier hypothécaire peut exercer le pouvoir de vente et tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque.

IMPÔTS FONCIERS

7. Au titre des taxes municipales, des taxes scolaires, et des taxes d'amélioration locale et toutes autres taxes imposées par toute autorité ayant compétence en la matière et qui sont imputables contre le bien-fonds (ci-après appelées les "impôts fonciers"), il est convenu de ce qui suit:

a) Sujet aux dispositions du présent paragraphe, le débiteur hypothécaire convient d'acquitter tous les impôts fonciers imputables contre le bien-fonds à leur échéance;

b) Le débiteur hypothécaire s'engage également à fournir au créancier hypothécaire, si ce dernier l'exige, les reçus d'impôts fonciers attestant le paiement des dits impôts fonciers à l'intérieur des trente jours suivants la date à laquelle ils étaient dus;

c) Le créancier hypothécaire peut déduire de la dernière avance d'argent garantie par cette hypothèque un montant suffisant pour payer les impôts fonciers dus au moment où cette dernière avance est effectuée;

d) Si le créancier hypothécaire l'exige, le débiteur hypothécaire paye à chaque mois au créancier hypothécaire un douzième du montant des impôts fonciers exigibles pour l'année à venir tels qu'estimés par le créancier hypothécaire; le débiteur hypothécaire doit aussi sur demande payer au créancier hypothécaire la différence s'il en est entre les impôts fonciers perçus et le montant estimé par le créancier hypothécaire;

e) Le débiteur hypothécaire doit payer de l'intérêt au taux indiqué dans l'hypothèque sur tout solde débiteur porté au compte maintenu par le créancier hypothécaire au titre des impôts fonciers, après l'acquittement par le créancier hypothécaire des impôts fonciers, jusqu'à ce que le solde débiteur soit acquitté et cette somme est exigible sur-le-champ, s'ajoute à la créance hypothécaire et grève le bien-fonds.

Le créancier hypothécaire accepte d'appliquer ces déductions et paiements aux impôts fonciers levés sur le bien-fonds aussi longtemps que le débiteur hypothécaire respecte les engagements de la présente hypothèque quels qu'ils soient; cependant les présentes n'imposent aucune obligation au créancier hypothécaire d'appliquer ces paiements au règlement des impôts fonciers plus d'une fois l'an, et le créancier hypothécaire ne sera pas obligé de payer de l'intérêt ou autres indemnités sur de tels paiements. Si avant que toute somme payée au créancier hypothécaire n'ait été ainsi appliquée en règlement des impôts fonciers, il y a défaut de la part du débiteur hypothécaire d'effectuer tout paiement stipulé sous l'hypothèque, le créancier hypothécaire peut appliquer ladite somme au règlement du paiement en défaut. Aucune disposition de cette hypothèque n'a pour effet de relever le débiteur hypothécaire de son obligation d'acquitter les impôts fonciers dans la mesure où les sommes appliquées au règlement des impôts fonciers par le créancier hypothécaire ne suffisent pas à acquitter les impôts fonciers en entier. En outre, le débiteur hypothécaire s'engage à transmettre, dès réception, au créancier hypothécaire les avis de cotisation, comptes d'impôts fonciers et tous autres avis ayant une incidence sur la levée des impôts fonciers.

ENGAGEMENTS DU DÉBITEUR HYPOTHÉCAIRE

8. Le débiteur hypothécaire prend les engagements suivants envers le créancier hypothécaire et lui garantit ce qui suit:

REMBOURSEMENT DU PRINCIPAL, DES INTÉRÊTS ET D'AUTRES SOMMES ET OBSERVATION DES ENGAGEMENTS

a) Le débiteur hypothécaire s'engage auprès du créancier hypothécaire à rembourser, sans déduction ou diminution, les sommes avancées en vertu de l'hypothèque et les intérêts y afférents selon les dispositions de l'hypothèque; à régler à leur échéance, les taxes, cotisations ou autres impôts fonciers, et corvées imposés par toute autorité municipale, locale, toute législature ou toute autre autorité compétente en la matière, imputés ou levés actuellement ou ultérieurement sur le bien-fonds, y compris, sans limitation, toutes charges relatives à l'hydro-électricité, au gaz et aux services d'eau et d'égouts, et à produire au créancier hypothécaire sur demande, des reçus attestant lesdits paiements; à affecter, observer, exécuter, remplir et respecter toutes les dispositions, engagements, ententes et stipulations prévus dans l'hypothèque; et qu'advenant tout défaut le créancier hypothécaire aura possession paisible du bien-fonds, libre et quitte de toute charge.

Sans porter atteinte aux droits dont dispose le créancier hypothécaire en vertu de l'article 44 de la *Loi sur les Caisses Populaires et Credit Unions*, 1994, telle que modifiée de temps à autre, le débiteur hypothécaire autorise le créancier hypothécaire à prélever de tout compte qu'il maintient chez le créancier hypothécaire, les versements ou autres sommes dus sous cette hypothèque.

Le débiteur hypothécaire affirme et garantit au créancier hypothécaire que toutes obligations, remises ou déductions à la source dues ou payables par le débiteur hypothécaire en vertu de la *Loi de l'impôt sur le revenu*, la *Loi sur l'assurance-emploi*, le *Régime de pensions du Canada*, la *Loi sur la taxe d'accise*, la *Loi sur la taxe de vente au détail*, telles que modifiées de temps à autre, ou toutes autres obligations semblables en vertu de toute loi applicable (les "obligations") sont à jour et ont été acquittées dans leur entièreté. Le débiteur hypothécaire convient et s'engage à acquitter les obligations à échéance. Dans l'éventualité où plus d'un déboursement est anticipé ou a lieu, le débiteur hypothécaire affirme, garantit et convient de fournir toute preuve satisfaisante au créancier hypothécaire, avant chaque déboursement, confirmant que les obligations sont à jour et ont été acquittées dans leur entièreté. Le débiteur hypothécaire autorise et donne directive à toute autorité ou agence gouvernementale appropriée de fournir, de temps à autre, au créancier hypothécaire ou aux avocats du créancier hypothécaire, toute information ayant trait à toute obligation qui puisse être payable ou échue par le débiteur hypothécaire, seul ou avec d'autres parties.

POUVOIR DE CRÉER LA CHARGE

b) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'il a bon droit, plein pouvoir et autorité absolue de créer la charge établie par cette hypothèque contre le bien-fonds.

TITRE

c) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'au moment de la signature de l'hypothèque, il détient un droit héréditaire en fief simple, valide et incontestable sur le bien-fonds, libre et quitte de toute charge, servitude, réserve, reconnue en équité ou autre intérêt de toute sorte, sauf ceux qui apparaissent aux registres maintenus au bureau d'enregistrement.

AUTRES CHARGES DE RANG PRIORITAIRE

d) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'il n'a pas par ses actes ou omissions, ou par son accord, permis ou fait en sorte que le bien-fonds soit présentement ou puisse à l'avenir être grevé par toute charge, servitude, réserve reconnue en équité ou intérêt de toute sorte, sauf ceux qui apparaissent aux registres maintenus au bureau d'enregistrement.

ASSURANCES

e) Le débiteur hypothécaire s'engage à assurer immédiatement tous les bâtiments situés sur le bien-fonds ou construits par la suite pour une somme qui n'est pas moindre que leur pleine valeur de remplacement et à les maintenir assurés pendant toute la durée de cette hypothèque, en faveur du créancier hypothécaire, contre la perte et les dommages causés par le feu, et aussi par l'explosion, la tempête, la tornade, le cyclone, la foudre, et tout autre risque ou danger sur demande du créancier hypothécaire. Le débiteur hypothécaire s'engage à produire au créancier hypothécaire, au moins quinze jours avant l'échéance de toute police d'assurance, et au moins cinq jours avant la date de prise d'effet de tout avis de résiliation, la preuve qu'il a reconduit ou remplacé ces assurances, sans quoi le créancier hypothécaire peut y pourvoir et en imputer les frais, qui portent intérêt au taux de cette hypothèque, au débiteur hypothécaire et ces sommes sont exigibles sur-le-champ et grèvent le bien-fonds. Il est de plus convenu que le créancier hypothécaire peut en tout temps exiger que toute police d'assurance relative aux bâtiments soit annulée et qu'une nouvelle police d'assurance soit souscrite par une compagnie d'assurances désignée par le créancier hypothécaire. Le créancier hypothécaire peut de son seul accord placer ou maintenir toute assurance prévue par cette clause et toute somme payée par le créancier hypothécaire à ces fins porte intérêt au taux de l'hypothèque, est exigible sur-le-champ du débiteur hypothécaire et grève le bien-fonds. Toute police d'assurance doit prévoir que l'indemnité en cas de perte doit être versée au créancier hypothécaire, dans la mesure des intérêts qu'il détient dans le bien-fonds et doit comporter une clause hypothécaire type établie dans les termes approuvés par le créancier hypothécaire. Le créancier hypothécaire peut à son entière discrétion exiger que toute indemnité versée en cas de perte soit affectée en tout ou en partie à la créance hypothécaire, que celle-ci soit à ce moment exigible ou non.

DÉCHÉANCE DU TERME

f) En cas de non-paiement des intérêts, de tout versement de principal ou de toute autre somme payable par le débiteur hypothécaire, en tout ou en partie, en vertu de l'hypothèque, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut à sa seule discrétion exiger sur-le-champ le remboursement de la dette, des intérêts et de toute autre somme due en vertu de l'hypothèque. A défaut de paiement, le créancier hypothécaire peut exercer tous ses recours, droits et pouvoirs conférés en loi, et en vertu de cette hypothèque y compris le pouvoir de vente qui y est contenu. Il est prévu que le créancier hypothécaire peut renoncer par écrit à son droit d'exiger le remboursement de la dette, des intérêts et de toute autre somme due en vertu de l'hypothèque mais que nonobstant cette renonciation, il lui sera loisible d'exercer ultérieurement ce droit, ou de l'exercer à la suite de tout autre défaut.

Le débiteur hypothécaire représente et garantit au créancier hypothécaire que dans l'éventualité où le remboursement intégral du principal, des intérêts et de toutes autres sommes dues en vertu de l'hypothèque deviennent exigibles tel que prévu dans la présente clause, il ne pourra exiger que le créancier hypothécaire accepte par après ce remboursement de principal sans donner au préalable trois mois d'avis par écrit, ou sans payer une indemnité calculée selon la formule prévue à la clause 24(b) ou (c) ou à la clause 28 des présentes, selon le cas. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement intégral de la dette par le débiteur hypothécaire et non à titre de pénalité.

SAISIE-GAGERIE

g) Le créancier hypothécaire peut exercer un recours en saisie-gagerie relativement aux arriérés d'intérêt, de principal, et relativement à toutes autres sommes dues en vertu de l'hypothèque. Les coûts relatifs à l'exercice par le créancier hypothécaire d'un recours en saisie-gagerie sont exigibles du débiteur hypothécaire sur-le-champ et portent intérêt au même taux d'intérêt que celui prévu dans l'hypothèque et grèvent le bien-fonds.

PRISE DE POSSESSION ADVENANT DÉFAUT

h) En cas de non-paiement des intérêts, de tout versement de principal ou de toute autre somme due par le débiteur hypothécaire, en tout ou en partie en vertu de l'hypothèque, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut prendre possession du bien-fonds et à ce moment il en obtient la jouissance paisible libre et quitte de toute charge, saisi-exécution ou autres encombrements et le débiteur hypothécaire renonce à ce moment à toutes ses prétentions sur le bien-fonds.

AUTRES GESTES NÉCESSAIRES POUR PARFAIRE LE TITRE

i) En tout temps, le débiteur hypothécaire et quiconque possède un droit ou une réclamation contre l'ensemble ou une partie du bien-fonds seront tenus, aux frais du débiteur hypothécaire, de souscrire, remettre ou obtenir tout acte ou autre document et de poser tout acte, que le créancier hypothécaire ou son procureur pourront juger nécessaires afin de parfaire le titre et intérêt du créancier hypothécaire au bien-fonds grevé par l'hypothèque et les coûts pour ce faire sont exigibles du débiteur hypothécaire sur-le-champ, portent intérêt au taux d'intérêt prévu dans l'hypothèque et grèvent le bien-fonds.

DÉGRADATION DU BIEN-FONDS

j) Le débiteur hypothécaire s'engage à maintenir le bien-fonds et les bâtiments et améliorations qui s'y trouvent lors de la constitution de l'hypothèque ou postérieurement à cette date en bon état de réparation, et le créancier hypothécaire peut en tout temps lorsqu'il le juge nécessaire, lui-même ou par l'entremise d'un agent pénétrer sur le bien-fonds et dans les bâtiments afin d'en faire l'inspection, et d'effectuer les réparations qu'il juge nécessaires. Les frais ainsi engagés, qui portent intérêt au taux prévu dans l'hypothèque sont exigibles du débiteur hypothécaire sur-le-champ, et grèvent le bien-fonds. Si le débiteur hypothécaire déroge à son engagement de maintenir le bien-fonds et les bâtiments et améliorations qui s'y trouvent en bon état de réparation, ou commet ou permet que soient commises des dégradations (ce dont le créancier hypothécaire est seul juge) le créancier hypothécaire peut sur-le-champ exiger le remboursement de la dette, des intérêts et de toutes autres sommes dues sous l'hypothèque, et à défaut de paiement, le créancier hypothécaire peut exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu. Le débiteur hypothécaire s'engage également à aviser le créancier hypothécaire sur-le-champ de toutes ordonnances ou avis ayant trait au bien-fonds et émis par toute autorité ayant compétence en la matière, et le débiteur hypothécaire convient que de tels ordonnances ou avis constituent un défaut en vertu de l'hypothèque qui permet au créancier hypothécaire d'exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

POUVOIR DE VENTE

k) Advenant défaut de paiement de la dette ou des intérêts, en tout ou en partie, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut reprendre possession du bien-fonds grevé par l'hypothèque et percevoir tous loyers ou revenus tirés de celui-ci, et le créancier hypothécaire, qu'il est ou non repris possession du bien-fonds, peut donner à bail toute partie du bien-fonds à sa discrétion.

En outre advenant défaut de paiement de la dette ou des intérêts, en tout ou en partie, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, et que ce défaut persiste pour une période de quinze jours sans avoir été remédié, le créancier hypothécaire peut, après avoir donné un avis écrit d'au moins trente-cinq jours, aux personnes et de la façon prescrites sous la Partie III de la *Loi sur les hypothèques*, telle que modifiée de temps à autre, sans autre consentement ou concours du débiteur hypothécaire, vendre et aliéner de façon péremptoire le bien-fonds grevé par l'hypothèque ou toute partie de celui-ci, soit aux enchères ou par contrat privé ou en partie aux enchères et en partie par contrat privé, à son choix et le créancier hypothécaire peut céder et transporter le bien-fonds dans l'éventualité d'une telle vente, à l'acheteur ou aux acheteurs, leurs héritiers, exécuteurs testamentaires, administrateurs et ayants-droit, et souscrire et passer tout acte ou poser tout geste nécessaire à cette fin. Le créancier hypothécaire n'est pas tenu responsable et ne doit répondre d'aucune perte découlant de baux qu'il a donnés ou de ventes qu'il a effectuées à moins que cette perte ne se produise en raison d'une omission ou défaut délibérés de la part du créancier hypothécaire.

La production des présentes tient lieu de preuve concluante de l'existence continue de la dette et intérêt, ou d'une partie de ceux-ci, de même que tout défaut.

Par suite de toute vente conclue conformément aux dispositions susdites le créancier hypothécaire perçoit le produit de la vente, de même que toute indemnité versée en vertu de toute police d'assurance relative au bien-fonds, et les détient en fiducie aux fins suivantes:

Le créancier hypothécaire affecte le produit de la vente en premier lieu au paiement et à l'acquittement des frais et dépens encourus afin de préparer et d'effectuer tous baux, transports ou ventes susdits ou tentatives de ce faire, et tous autres frais, dépenses, ou dommages supportés ou encourus par le créancier hypothécaire au titre des impôts fonciers, des loyers, de l'assurance ou des réparations, de même que tous autres frais encourus ou supportés par le créancier hypothécaire dans l'exécution de la fiducie constituée en vertu des dispositions susdites;

En second lieu, le créancier hypothécaire affecte le produit de la vente au paiement et à l'acquittement des intérêts et de la dette dus en vertu de cette hypothèque, calculés jusqu'au moment où la dette est réglée en entier;

Dans la mesure où après parfait paiement des sommes dues en vertu de cette hypothèque un surplus demeure, le créancier hypothécaire affecte le produit de la vente au paiement des charges subséquentes conformément à leur priorité en vertu de toute loi applicable et le créancier hypothécaire remet tout surplus au débiteur hypothécaire ou à toute personne désignée par ce dernier, et dans cette éventualité, à la demande et aux frais du débiteur hypothécaire, cède ou transporte au débiteur hypothécaire ou à toute personne désignée par ce dernier, toute partie du bien-fonds, qu'il n'a pas vendue conformément aux dispositions susdites, ou en donne mainlevée, libre et quitte de toute réclamation de la part du créancier hypothécaire.

Il est en outre reconnu et convenu que nonobstant le pouvoir de vente et tout autre droit, pouvoir ou faculté contenus dans cette hypothèque, le créancier hypothécaire conserve son droit de procéder à la forclusion du fief de propriété du débiteur hypothécaire dans le bien-fonds, de la même façon qu'il aurait pu exercer ce droit si cette hypothèque ne contenait pas ce pouvoir de vente, et ces autres pouvoirs ou facultés.

Il est convenu que tout avis sera donné de la façon et aux personnes stipulées par la *Loi sur les hypothèques*, telle que modifiée de temps à autre en vigueur au moment où ces avis sont donnés et en l'absence d'une disposition de la *Loi sur les hypothèques*, telle que modifiée de temps à autre à ce sujet, ou si ces dispositions ne s'appliquent pas, tout avis peut être donné et est réputé valable s'il est remis sur les lieux à une personne qui paraît majeure, lorsque le bien-fonds est occupé; placé sur le bien-fonds si celui-ci n'est pas occupé; ou, au choix du créancier hypothécaire, posté par courrier recommandé adressé au débiteur hypothécaire à sa dernière adresse connue, ou publié une fois dans un journal publié dans le comté ou district où est situé le bien-fonds; tout avis est suffisant même s'il ne nomme la personne à qui il s'adresse par son nom ou sa désignation et même si toute personne concernée par l'avis n'est pas née, souffre d'incapacité ou est non-identifiée.

Le créancier hypothécaire peut vendre toute partie du bien-fonds à crédit, aux conditions qui lui semblent les plus avantageuses, et aux prix qu'il peut en tirer après efforts raisonnables. Le créancier hypothécaire peut enchérir et acheter à l'occasion d'une telle vente, et peut résoudre ou modifier tout contrat de vente d'une partie ou de la totalité du bien-fonds, et le revendre sans qu'il ne soit tenu responsable ou n'ait à répondre de toute perte occasionnée de ce fait. Dans le cas d'une vente à crédit le créancier hypothécaire n'est tenu de remettre au débiteur hypothécaire que les sommes qu'il a effectivement reçues de l'acheteur après l'acquittement complet de toutes réclamations en faveur du créancier hypothécaire. Tout acheteur ou locataire ne sera pas tenu de s'assurer du bien fondé d'une vente ou d'un bail, ni de vérifier si les règles et prescriptions ont été suivies. Un avis, même exprès de tout vice de forme ou de toute autre irrégularité entourant toute vente ou bail ne lie et ne porte aucunement atteinte à l'acheteur ou au locataire. L'omission de donner ou de publier tout avis requis ne porte pas atteinte et n'invalide d'aucune façon tout bail ou vente effectué en vertu de cette hypothèque.

Le débiteur hypothécaire convient de rembourser au créancier hypothécaire tous les honoraires et autres frais juridiques (calculés sur la base procureur-client), les commissions de tous courtiers d'immeuble, et tous autres frais engagés par le créancier hypothécaire dans l'exercice des pouvoirs de vente contenus dans cette hypothèque et tous ces honoraires, commissions et autres frais portent intérêt au taux d'intérêt prévu dans l'hypothèque, sont exigibles du débiteur hypothécaire sur-le-champ et grèvent le bien-fonds.

VENTE DU BIEN-FONDS

9. a) En cas de vente ou autre aliénation volontaire ou non du bien-fonds, en tout ou en partie, par le débiteur hypothécaire, le créancier hypothécaire peut exiger sur-le-champ le remboursement de la dette et des intérêts échus et de toutes autres sommes dues en vertu de l'hypothèque, de même qu'une indemnité calculée en conformité avec la formule prévue à la clause 24(b) ou (c) ou à la clause 28 des présentes, selon le cas. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement intégral de la dette par le débiteur hypothécaire et non à titre de pénalité.

b) Il est convenu qu'aucune vente ou autre acte posé à l'égard du bien-fonds par le débiteur hypothécaire ne modifie la responsabilité du débiteur hypothécaire, ou ne modifie ou porte atteinte aux recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque contre le débiteur hypothécaire ou toute autre personne responsable du remboursement des sommes garanties par cette hypothèque.

CHARGE SUBSÉQUENTE

10. En cas où le débiteur hypothécaire accorde une charge contre le bien-fonds à un autre créancier hypothécaire sans obtenir le consentement préalable du créancier hypothécaire, le créancier hypothécaire peut, à son entière discrétion, exiger sur-le-champ le remboursement de la dette et des intérêts échus et de toutes autres sommes dues en vertu de l'hypothèque, de même qu'une indemnité calculée selon la formule prévue à la clause 24(b) ou (c) ou à la clause 28 des présentes, selon le cas. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement de la dette par le débiteur hypothécaire et non à titre de pénalité.

PAIEMENTS EFFECTUÉS PAR LE CRÉANCIER HYPOTHÉCAIRE

11. Il est convenu que le créancier hypothécaire peut acquitter toutes primes d'assurance et tous impôts fonciers, redevances et frais de chauffage ou services publics dus de temps à autre relatifs au bien-fonds, que le débiteur hypothécaire n'a pas acquittés. Toute somme ainsi payée par le créancier hypothécaire, de même que tous les frais, dépenses, honoraires juridiques (calculés sur la base procureur-client), tous frais encourus pour le recouvrement et le maintien du bien-fonds, la négociation de ce prêt, la vérification des titres, l'enregistrement de cette hypothèque et de tous autres actes jugés nécessaires, et tous frais encourus relativement à toute autre procédure engagée ou prise à l'égard de cette hypothèque ou de sa réalisation (y compris les commissions dues aux courtiers d'immeuble visant l'obtention de tout bail ou vente du bien-fonds), portent intérêt au taux prévu dans cette hypothèque et grèvent le bien-fonds en faveur du créancier hypothécaire. Le créancier hypothécaire peut aussi acquitter tout privilège, charge ou encombrement présent, ou créé ou réclamé contre le bien-fonds après la constitution de cette hypothèque, et toutes sommes ainsi engagées grèvent pareillement le bien-fonds au profit du créancier hypothécaire. En outre, il est convenu que les sommes susdites payées par le créancier hypothécaire s'ajoutent à la créance hypothécaire, sont exigibles sur-le-champ et portent intérêt au taux prévu dans cette hypothèque. Advenant défaut de paiement de toute obligation en vertu de la présente clause 11, le créancier hypothécaire peut exiger sur-le-champ le remboursement de la dette, des intérêts et de toute autre somme due en vertu de l'hypothèque et exercer tous les recours, droits et pouvoirs qui lui sont conférés en loi et en vertu de cette hypothèque y compris le pouvoir de vente qui y est contenu.

LOI SUR LE RÉGIME DE GARANTIES DE LOGEMENTS NEUFS DE L'ONTARIO

12. Advenant le cas où le créancier hypothécaire encourt des frais ou dépenses survenants de l'application de/ou relatifs à la *Loi sur le régime de garanties de logements neufs de l'Ontario*, telle que modifiée de temps à autre, ou des règlements en application de celle-ci, incluant sans limiter la généralité de ce qui précède, tous frais ou dépenses relatifs à l'enregistrement du créancier hypothécaire en tant que vendeur en vertu de cette loi ou à l'inscription de tout logement situé sur le bien-fonds ou à la conclusion de toutes ententes ayant trait à l'exécution d'une garantie ou exécutant toutes garanties, tels frais et dépenses sont exigibles sur-le-champ du débiteur hypothécaire, portent intérêt au taux prévu dans l'hypothèque et grèvent le bien-fonds.

ACCESSOIRES FIXES

13. Il est convenu que toutes érections, améliorations et accessoires fixes actuellement ou ultérieurement apportés à ou mis sur la propriété, incluant mais sans limiter la généralité de ce qui précède, tous bâtiments, construction, appareils de cuisson, clôtures, installations de chauffage, de tuyaux, de plomberie, d'antennes, de climatisation, de ventilation, d'éclairage, de chauffage d'eau, et de réfrigération, les recouvrements de fenêtres, les radiateurs et recouvrements, les miroirs fixes, les doubles fenêtres, les doubles portes, les paravents de fenêtres et paravents de portes, les volets et auvents, les recouvrements de planchers et tous apparats et installations afférents et tous équipements et machineries fixes ou autre, même si pas affixés au bien-fonds autre que par leurs propres poids sont et seront, en sus de tout autre accessoire fixe sur le bien-fonds, des accessoires fixes et feront parties du bien-fonds et constitueront une partie de la sûreté donnée en garantie en vertu de l'hypothèque.

LOI SUR LE PRIVILÈGE DANS L'INDUSTRIE DE LA CONSTRUCTION

14. Au moment de chaque déboursement, le débiteur hypothécaire s'assurera que toutes les exigences de la *Loi sur le privilège dans l'industrie de la construction*, telle que modifiée de temps à autre, sont remplies et le débiteur fournira au créancier hypothécaire, une preuve à cet égard, selon la forme et le contenu réputés satisfaisants par le créancier hypothécaire. Le débiteur hypothécaire convient que le créancier hypothécaire aura le droit de retenir de tout déboursement ou de payer en cour à titre de déboursement, toute somme que le créancier hypothécaire, à son entière discrétion, estime nécessaire afin de protéger ses intérêts en vertu des dispositions de ladite loi et de sécuriser la priorité de l'hypothèque sur tous privilèges de construction, actuels ou potentiels. La présente clause ne sera pas interprétée de façon à ce que le créancier hypothécaire soit réputé être un "propriétaire" ou un "responsable du paiement" tel que défini en vertu de ladite loi et le créancier hypothécaire n'aura aucune obligation de retenir quelque somme que ce soit ou maintenir, pour le compte du débiteur hypothécaire, toute somme qui peut être requise en vertu de ladite loi. Toute telle obligation demeurera l'unique responsabilité du débiteur hypothécaire. Le débiteur hypothécaire convient également d'observer à tout égard les dispositions de ladite loi.

Dans l'éventualité où un privilège de construction est enregistré sur la totalité ou une partie du bien-fonds, le débiteur hypothécaire s'engage à libérer le privilège immédiatement. Advenant le défaut du débiteur hypothécaire de ce faire, alors la dette, les intérêts et toutes autres sommes dus en vertu de l'hypothèque seront, à l'option du créancier hypothécaire, immédiatement dues et payables et le créancier hypothécaire pourra exercer tous les recours, droits et pouvoirs qui lui sont conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu. De plus, en sus de tous ses autres droits contenus dans les présentes, le créancier hypothécaire peut payer en Cour une somme suffisante afin d'obtenir une ordonnance libérant le privilège du bien-fonds ou lui permettant d'acquérir un cautionnement selon la forme prescrite en vertu de ladite loi. Tous frais, charges et dépenses encourus par le créancier hypothécaire relativement à toute procédure judiciaire décrite ci-dessous, et intérêts au taux d'intérêt prévu dans les présentes, seront ajoutés aux sommes payables et garanties par l'hypothèque et seront immédiatement payables par le débiteur hypothécaire au créancier hypothécaire. Dans l'éventualité où toute personne qui a effectué du travail, de la main d'oeuvre, des services ou qui a fourni des matériaux au bien-fonds, nomme le créancier hypothécaire à titre de partie à toute procédure judiciaire ayant trait à l'exécution d'un privilège de construction ou d'une réclamation fiduciaire, le débiteur hypothécaire convient de rembourser et d'indemniser le créancier hypothécaire pour tous frais juridiques (sur une base de procureur-client) encourus par le créancier hypothécaire dans le cadre de telles procédures judiciaires.

HYPOTHÈQUE SUR UN BÂTIMENT EN CONSTRUCTION

15. Le débiteur hypothécaire convient que dans l'éventualité où l'hypothèque est consentie avec l'intention de garantir le financement d'une amélioration sur le bien-fonds ou l'hypothèque est consentie afin de rembourser une telle hypothèque, les conditions suivantes s'appliqueront:

Toute construction sur le bien-fonds sera effectuée par un ou plusieurs entrepreneur(s) de bonne réputation avec toute l'expérience nécessaire afin d'entreprendre le projet de construction contemplé et le(s) contrat(s) de construction du dit ou des dits entrepreneur(s) doit ou doivent être approuvé(s) par le créancier hypothécaire par écrit, laquelle approbation peut être refusée de façon déraisonnable.

Toute rénovation ou construction de tout bâtiment, structure ou amélioration sur le bien-fonds sera effectuée conformément aux normes habituelles de construction, avec diligence et conformément aux plans et devis soumis et approuvés par le créancier hypothécaire, laquelle approbation peut être refusée de façon déraisonnable, et à la satisfaction de toute autorité gouvernementale ou régulatrice ayant juridiction.

Le débiteur hypothécaire convient également que tout déboursement sera effectué selon les termes et conditions établis par le créancier hypothécaire, à son entière discrétion, et nonobstant la signature ou l'enregistrement de l'hypothèque ou le déboursement de toute somme en vertu de l'hypothèque, le créancier hypothécaire n'a aucune obligation de débourser les sommes hypothécaires ou toute somme non-déboursée ou de consentir tout autre prêt ou d'engager toute responsabilité envers le débiteur hypothécaire ou toute autre partie, et le déboursement de sommes ou le consentement de prêts ou de déboursements ou l'engagement de responsabilité pour le compte du débiteur hypothécaire de temps à autre sera à l'entière discrétion du créancier hypothécaire. Sans limiter la généralité de ce qui précède, le débiteur hypothécaire convient de fournir au créancier hypothécaire, avant chaque déboursement, des déclarations solennelles assermentées par le débiteur hypothécaire ou, si le débiteur hypothécaire est une société, par un administrateur du débiteur hypothécaire, faisant état des termes de tout contrat conclu par le débiteur hypothécaire relativement à la fourniture de services ou de matériaux à toute amélioration sur le bien-fonds. Ces déclarations solennelles seront rédigées selon une forme et un contenu acceptables au créancier hypothécaire. Le débiteur hypothécaire convient également de fournir tout contrat pour la revue du créancier hypothécaire sur demande.

Dans l'éventualité où toute construction sur le bien-fonds cesse pour quelque raison que ce soit (sauf pour raison de grève, pénurie de matériaux, ou condition climatique hors du contrôle du débiteur hypothécaire) pour une période d'au moins dix (10) jours consécutifs, alors la dette, les intérêts et toutes autres sommes payables en vertu de l'hypothèque seront, à l'entière discrétion du créancier hypothécaire, immédiatement dus et payables et le créancier hypothécaire pourra exercer tous ses recours, droits et pouvoirs qui lui sont conférés en loi et en vertu de l'hypothèque, y compris le pouvoir de vente qui y est contenu. Dans l'éventualité où la construction cesse, le créancier peut également, à son entière discrétion, assumer le contrôle de la construction de la façon et selon les termes qu'il estime judicieux. Tous les coûts nécessaires afin de compléter la construction encourus par le créancier hypothécaire et tous autres frais et dépenses rattachés, y compris un frais de gestion de 15% du coût de la construction, seront, à l'entière discrétion du créancier hypothécaire, ajoutés aux sommes payables et garanties en vertu de l'hypothèque, avec intérêts au taux d'intérêt prévu dans les présentes, et seront payables par le débiteur hypothécaire.

Sans limiter la généralité de ce qui précède, le créancier hypothécaire peut, en tout temps, retenir et ne pas débourser toute partie de la somme en principal requise, selon l'avis du créancier hypothécaire, pour compléter la construction sur le bien-fonds, de même que toute somme correspondant aux retenues qu'un "propriétaire" doit maintenir en vertu de la *Loi sur le privilège dans l'industrie de la construction*, telle que modifiée de temps à autre.

MODIFICATIONS

16. Le débiteur hypothécaire convient qu'il n'effectuera ou ne permettra que soit effectué aucune modification ou addition au bien-fonds sans le consentement préalable du créancier hypothécaire, lequel consentement peut être refusé de façon déraisonnable, et tout manquement à cet engagement constituera un défaut en vertu de l'hypothèque et le créancier hypothécaire peut, en cas de défaut, exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

DÉFAUT DE CHARGE ANTÉRIEURE

17. Le créancier hypothécaire et le débiteur hypothécaire conviennent qu'advenant le cas où le débiteur hypothécaire manque à ses obligations ou engagements en vertu de toutes conventions, dispositions, ententes ou conditions prévus dans toutes autres hypothèques ou charges à laquelle ou auxquelles l'hypothèque est sujette, la dette, les intérêts et toutes autres sommes dues en vertu de cette hypothèque seront, à la discrétion du créancier hypothécaire, exigibles sur-le-champ, et tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque pourront être exercés par le créancier hypothécaire, y compris le pouvoir de vente qui y est contenu.

RENONCIATION

18. Le débiteur hypothécaire convient que le créancier hypothécaire peut, par écrit, en toute occasion par suite d'un défaut sous les dispositions de cette hypothèque, accorder dispense et renoncer à son droit d'exiger le remboursement de la dette, des intérêts et de toute autre somme due en vertu de l'hypothèque, mais que toute dispense accordée ne se rapporte qu'au défaut visé et ne tient pas lieu de dispense de tout autre défaut ou de tout défaut ultérieur.

MAINLEVÉES PARTIELLES

19. Le créancier hypothécaire peut à sa discrétion, en tout temps, libérer une ou plusieurs parties du bien-fonds ou toute autre garantie ou toute personne qui s'est portée garant du remboursement du principal et des intérêts garantis par l'hypothèque, avec ou sans contrepartie suffisante, sans qu'il ne soit tenu de rendre compte au débiteur hypothécaire, sauf en ce qui concerne les fonds qu'il aura effectivement reçus, sans engager sa responsabilité, et sans pour autant libérer toutes autres parties du bien-fonds ou toutes autres personnes de leurs obligations ou de la charge constituées en vertu de cette hypothèque. Il est expressément convenu que si le bien-fonds comprend plusieurs parcelles ou lots distincts ou est sectionné ultérieurement en plusieurs parcelles ou lots distincts, chaque parcelle ou lot est grevé de l'entièreté de la somme en principal garantie par l'hypothèque et nulle personne n'a le droit d'exiger que ladite somme en principal soit répartie.

PROROGATION

20. Nulle prorogation de délais accordée au débiteur hypothécaire et nulle autre transaction entre le créancier hypothécaire et le ou les propriétaires du bien-fonds ou de toute partie de celui-ci ne portera atteinte au recours dont dispose le créancier hypothécaire à l'encontre du débiteur hypothécaire ou de toute autre personne tenue de rembourser la dette et les intérêts garantis par les présentes. Cette hypothèque peut être prorogée, à l'échéance par entente écrite ou conformément aux dispositions prévues dans le paragraphe qui suit, pour toute période additionnelle, nonobstant l'existence de titulaires postérieurs d'une sûreté contre le bien-fonds. Il ne sera pas requis qu'une telle entente soit enregistrée au bureau d'enregistrement afin de préserver le rang prioritaire de cette hypothèque et des sommes garanties en vertu de l'hypothèque y compris l'intérêt dont le taux pourra être majoré, à l'encontre de tout autre acte ou instrument enregistré ultérieurement à cette hypothèque.

Le créancier hypothécaire a la faculté, avant l'échéance, d'aviser le débiteur hypothécaire qu'il est disposé à reconduire ou renouveler le prêt hypothécaire aux conditions spécifiées dans un tel avis. Dans cette éventualité le prêt hypothécaire sera reconduit pour un an, ou pour un terme moindre, à la discrétion du créancier hypothécaire, aux conditions stipulées dans l'avis si le débiteur hypothécaire ne retourne pas au créancier hypothécaire le formulaire de renouvellement dûment souscrit indiquant un choix différent parmi les périodes de reconduite offertes par le créancier hypothécaire, ou si le débiteur hypothécaire ne rembourse pas la dette, les intérêts et toutes autres sommes dues en vertu de l'hypothèque à l'échéance. Le débiteur hypothécaire convient que le créancier hypothécaire pourra retirer de tout compte qu'il maintient auprès du créancier hypothécaire les frais de reconduite et les versements dus par la suite. Le débiteur hypothécaire convient également de souscrire à tout autre document jugé nécessaire par le créancier hypothécaire pour confirmer la reconduite du prêt, et en permettre l'enregistrement sur les titres du bien-fonds.

Nulle disposition contenue dans cette clause ne confère au débiteur hypothécaire un droit à la prorogation de l'hypothèque.

JUGEMENT

21. L'obtention d'un jugement en vertu d'un quelconque engagement contenu dans cette hypothèque n'opère pas absorption ou confusion légale de l'engagement et ne porte aucunement atteinte aux droits que cette hypothèque confère au créancier hypothécaire y compris celui de percevoir de l'intérêt au taux et aux moments indiqués dans cette hypothèque; en outre tout jugement prescrira que l'intérêt qui s'y rapporte sera calculé au même taux et de la même façon que le calcul d'intérêt s'opère en vertu de cette hypothèque jusqu'à parfait paiement de ce jugement.

GARANT(S)

22. Dans l'éventualité où une ou des personnes désignées à titre de garant ont souscrit leurs signatures à l'hypothèque, les dispositions suivantes s'appliquent:

Le garant, ou s'il y a plus d'un garant, chacun d'entre eux conjointement et solidairement, en contrepartie du prêt garanti par cette hypothèque et accordé par le créancier hypothécaire au débiteur hypothécaire, se porte garant envers le créancier hypothécaire, du paiement de la somme du principal et des intérêts au taux prévu dans l'hypothèque, et de l'exécution et de l'observance par le débiteur hypothécaire de l'ensemble des engagements, obligations et dispositions contenus dans l'hypothèque.

Le garant reconnaît que sa responsabilité est engagée au même titre que celle du débiteur hypothécaire et convient que le créancier hypothécaire pourra sans en donner avis au garant et sans diminuer ou modifier les obligations de ce dernier en vertu des présentes, accorder des délais, renouvellements, extensions, remises, et mainlevées, prendre des garanties, ou de réaliser des garanties déjà prises, accepter des compositions et autrement transiger avec le débiteur hypothécaire et avec toute personne, y compris d'autres garants, sans pour autant dégager, réduire ou limiter d'aucune façon les obligations et la responsabilité du garant envers le créancier hypothécaire. Le garant reconnaît également que sa responsabilité ne sera pas diminuée, limitée ou modifiée envers le créancier hypothécaire nonobstant l'insuffisance de la sûreté prévue en vertu de cette hypothèque ou de toute autre chose incluant la faillite ou l'insolvabilité du débiteur hypothécaire, la dissolution du débiteur hypothécaire, s'il s'agit d'une société, l'incapacité, moratorium ou autres circonstances servant à rendre les obligations du débiteur hypothécaire nulles ou non-exécutoires et aucune action sauf le remboursement de la créance hypothécaire dans son entièreté incluant le principal, tous les intérêts, toutes les sommes dues en vertu de cette hypothèque et l'exécution de toutes obligations et engagements en vertu de cette hypothèque libéreront le garant. Le garant reconnaît en outre que le créancier hypothécaire n'a aucune obligation d'avoir recours ou épuiser ses recours envers le débiteur hypothécaire ou toutes autres personnes ou toutes autres sûretés en vertu de cette hypothèque ou autrement avant d'exécuter ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque contre le garant.

IMMEUBLE EN COPROPRIÉTÉ (CONDOMINIUM)

23. Les dispositions suivantes s'appliquent à toute partie privative d'un immeuble en copropriété grevé par cette hypothèque:

a) Le débiteur hypothécaire s'engage à observer la *Loi de 1998 sur les condominiums*, telle que modifiée de temps à autre, la déclaration de copropriété, les règlements et règles de l'association des copropriétaires et s'engage à faire parvenir au créancier hypothécaire copie de tous avis, cotisations, règlements, règles et états financiers qui lui sont remis par l'association des copropriétaires, tels que modifiés de temps à autre; et le débiteur hypothécaire convient que toute violation de ses obligations en vertu des présentes constitue une violation d'un engagement en vertu de cette hypothèque;

b) Le débiteur hypothécaire s'engage à assurer les améliorations qu'il a lui-même effectuées à sa partie privative ou que ses prédécesseurs ont effectuées. Cette disposition s'ajoute et ne réduit en rien les obligations au débiteur hypothécaire établies à l'article 8 e) des présentes;

c) Le débiteur hypothécaire autorise irrévocablement le créancier hypothécaire à exercer le droit de vote ou de consentement du débiteur hypothécaire relativement à toute question soumise au vote ou pour approbation des membres de l'Association de copropriétaires. Si le créancier hypothécaire n'exerce pas ces droits, le débiteur hypothécaire peut lui-même les exercer et s'engage par les présentes à exercer ces droits conformément à toute directive du créancier hypothécaire; Le créancier hypothécaire n'aura aucune obligation de voter ou de consentir ou d'autrement protéger les intérêts du débiteur hypothécaire en raison de la cession du dit droit de vote ou de consentement. L'exercice du droit de vote ou de consentir n'aura pas pour effet de réputer le créancier hypothécaire un créancier en possession;

d) Le débiteur hypothécaire convient d'acquitter lorsque dû les dépenses communes et spéciales payables par ce dernier en tant que propriétaire du bien-fonds et dans le cas où le débiteur hypothécaire n'observe pas cette obligation ou toute disposition contenue dans la *Loi de 1998 sur les condominiums*, telle que modifiée de temps à autre, la déclaration de copropriété ou les règlements et règles de l'Association des copropriétaires tels que modifiés de temps à autre, le créancier hypothécaire peut y pourvoir et les frais et dépenses engagés à cette fin portent intérêt au taux prévu en vertu de l'hypothèque, sont exigibles sur-le-champ, et grèvent le bien-fonds;

e) Le débiteur hypothécaire convient que toute violation des obligations mentionnées dans cette clause, constitue un défaut en vertu de cette hypothèque.

IMMEUBLES RÉSIDENTIELS

Sauf si expressément prévu à l'effet contraire, les clauses 24, 25, 26 et 27 s'appliquent seulement aux immeubles résidentiels de quatre (4) logements et moins de type propriétaire occupant.

PAIEMENT PAR ANTICIPATION

24. a) S'il n'est pas en défaut, le débiteur hypothécaire peut, au moyen d'un ou de plusieurs versements d'un minimum de cent dollars (100 $) chacun, rembourser avant échéance et sans indemnité un montant ne dépassant pas quinze pour cent (15%) de la somme en principal originale. Ce privilège vaut pour chaque année du terme de l'hypothèque ou pour chaque terme s'il est de moins d'un (1) an et il n'est pas cumulatif. Chaque année s'entend de la période de douze (12) mois débutant à la date d'ajustement des intérêts ou à l'anniversaire de cette date.

b) Sujet aux dispositions de cette clause 24, s'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps, rembourser avant échéance la totalité ou d'une partie de la dette ou d'une partie de celle-ci, qui porte intérêt à un taux fixe, moyennant le paiement au créancier d'une indemnité égale au plus élevé des montants suivants:

i) un montant égal à trois (3) mois d'intérêt sur le montant remboursé par anticipation, et ce au taux d'intérêt alors applicable à la dette ou à ladite partie de celle-ci; ou

ii) un montant égal à l'intérêt calculé sur le montant remboursé par anticipation, jusqu'à l'échéance, à un taux d'intérêt correspondant à la différence entre le taux d'intérêt alors applicable à la dette ou à ladite partie de celle-ci et le taux d'intérêt en vigueur chez le créancier hypothécaire pour un prêt hypothécaire résidentiel unifamilial de même rang, remboursable par anticipation aux conditions des présentes et contenant les mêmes termes et conditions qui s'appliquent à la dette ou à ladite partie de celle-ci, dont le terme est:

- d'un (1) an si, au moment du paiement, il reste moins de vingt-quatre (24) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de deux (2) ans si, au moment du paiement, il reste de vingt-quatre (24) à trente-six (36) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de trois (3) ans si, au moment du paiement, il reste de trente-six (36) à quarante-huit (48) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de quatre (4) ans si, au moment du paiement, il reste de quarante-huit (48) à soixante (60) mois ou plus avant l'échéance de la dette ou de ladite partie de celle-ci;
- de cinq (5) ans si, au moment du paiement, il reste soixante (60) mois ou plus avant l'échéance de la dette ou de ladite partie de celle-ci.

Toutefois, si le paiement est effectué moins de trois (3) mois avant l'échéance de la dette ou de ladite partie de la dette, l'indemnité ne devra pas excéder l'intérêt au taux alors applicable à la dette ou à ladite partie de la dette calculé sur le montant remboursé par anticipation à compter de la date du paiement anticipé jusqu'à la date d'échéance de la dette ou de ladite partie de la dette.

c) Sujet aux dispositions de cette clause 24, s'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps, rembourser avant échéance, la totalité ou une partie de la dette ou d'une partie de celle-ci, qui porte intérêt à un taux variable, moyennant le paiement au créancier hypothécaire d'une indemnité égale à trois (3) mois d'intérêt sur le montant remboursé, et ce au taux d'intérêt alors applicable à la dette ou à ladite partie de la dette. Toutefois, si le paiement est effectué moins de trois (3) mois avant l'échéance de la dette ou de ladite partie de la dette, l'indemnité ne devra pas excéder l'intérêt au taux alors applicable à la dette ou à ladite partie de la dette, calculé sur le montant remboursé par anticipation à compter de la date du paiement anticipé jusqu'à la date d'échéance de la dette ou de ladite partie de la dette.

d) Le débiteur hypothécaire peut, en tout temps, rembourser avant échéance, la totalité ou une partie de la dette ou d'une partie de la dette qui est ouverte sans indemnité.

L'indemnité sera calculée dans tous les cas sur la totalité du montant remboursé par anticipation nonobstant le paragraphe (a) ci-dessus.

Un paiement partiel par anticipation ne relève pas le débiteur hypothécaire de son obligation de continuer d'effectuer les paiements prévus aux présentes.

Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement effectué par le débiteur hypothécaire en vertu des présentes et non à titre de pénalité.

ACCROISSEMENT DES PAIEMENTS PÉRIODIQUES

25. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps mais une seule fois par année du terme ou par terme si celui-ci est de moins d'un (1) an, augmenter le montant de ses paiements périodiques jusqu'à un montant ne dépassant pas le double de ceux-ci, et ce sans indemnité. Une année s'entend de la période de douze (12) mois débutant à la date d'ajustement des intérêts ou à l'anniversaire de cette date. Le débiteur hypothécaire pourra par la suite ramener le montant de ses paiements à celui en vigueur avant l'augmentation. Dans les deux cas, il doit signer une convention à cet effet et payer les frais d'administration prévus à cette fin, le cas échéant.

RENOUVELLEMENT AVANT ÉCHÉANCE

26. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps avant la date à laquelle le solde de la dette ou d'une partie de celle-ci devient exigible, demander au créancier hypothécaire de reporter l'échéance de la charge qui s'y applique et de fixer de nouvelles conditions d'intérêt et de remboursement, y compris les termes de remboursement, par anticipation ou autre. Si le créancier hypothécaire accepte, laquelle acceptation peut être refusée de façon déraisonnable, le débiteur hypothécaire devra payer les frais de renouvellement alors en vigueur chez le créancier hypothécaire, de même que d'une indemnité correspondant à l'indemnité calculée conformément à la clause 24(b) ou (c) des présentes, selon le cas.

SUBSTITUTION DE LA PROPRIÉTÉ GREVÉE

27. Lorsque la propriété grevée est une résidence unifamiliale et que le débiteur hypothécaire n'est pas en défaut, le créancier hypothécaire, sous réserve des dispositions qui suivent, pourra permettre au débiteur hypothécaire de grever une autre résidence unifamiliale qu'il détient et occupe (la "nouvelle résidence") d'une charge (la nouvelle "charge") dont les conditions, y compris le taux d'intérêt exigé sur le solde de la somme en principal, seront identiques à celles de la présente charge.

Le débiteur hypothécaire qui désire se prévaloir de ce privilège devra soumettre une demande de prêt à l'égard de la nouvelle charge au créancier hypothécaire et se conformer à toutes les exigences du créancier hypothécaire à l'égard de nouveaux prêts en vigueur au moment où la demande est soumise. Si la nouvelle charge répond aux exigences et politiques de prêts du créancier hypothécaire et que ce dernier consent à faire le prêt, lequel consentement peut être refusé de façon déraisonnable, le bien-fonds grevé sous l'hypothèque sera libéré lorsqu'une nouvelle charge hypothécaire aura été constituée contre la nouvelle résidence aux frais du débiteur hypothécaire. Dans cette éventualité, le débiteur hypothécaire ne sera pas tenu de verser, sauf dans la mesure où la nouvelle charge est constituée pour une somme moindre que le solde de la somme en principal, l'indemnité prévue en cas de remboursement par anticipation de la dette. Le débiteur hypothécaire devra acquitter tous les frais encourus, y compris les frais administratifs d'usage du créancier hypothécaire, à l'égard de l'étude de la nouvelle demande de la préparation et de l'enregistrement de la nouvelle charge et de la préparation, de la signature et de l'enregistrement de la mainlevée.

Le débiteur hypothécaire pourra demander que le solde de la somme en principal établi au moment de la substitution (la "créance initiale") soit majoré et si le créancier hypothécaire accède à cette demande, laquelle approbation peut être refusée de façon déraisonnable, la somme supplémentaire prêtée portera intérêt au taux en vigueur au moment où elle sera déboursée. Le créancier hypothécaire pourra exiger que l'acte hypothécaire par lequel la charge contre la nouvelle résidence est créée stipule un taux d'intérêt unique qui représente la moyenne pondérée des taux d'intérêt qui s'appliquent respectivement à la créance initiale et à la somme supplémentaire prêtée. Un calcul semblable sera aussi effectué si l'échéance de la nouvelle charge est plus tardive ou rapprochée que l'échéance de la créance initiale.

IMMEUBLES COMMERCIAUX

Les clauses 28 et 29 s'appliquent seulement aux immeubles à revenu de type propriétaire non-occupant et aux immeubles de nature commerciale.

PAIEMENT PAR ANTICIPATION

28. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps avant échéance, rembourser par anticipation la totalité ou une partie de la dette ou d'une partie de la dette:

a) qui porte intérêt à un taux fixe moyennant le paiement au créancier hypothécaire d'une indemnité égale au plus élevé des montants suivants:

i) un montant égal à trois (3) mois d'intérêt sur le montant remboursé par anticipation, et ce au taux d'intérêt alors applicable à la dette ou à ladite partie de la dette; ou

ii) un montant égal à l'intérêt calculé sur le montant remboursé par anticipation, jusqu'à l'échéance, à un taux d'intérêt correspondant à la différence entre le taux d'intérêt alors applicable à la dette ou à ladite partie de la dette et le taux d'intérêt alors en vigueur chez le créancier hypothécaire pour un prêt comportant des garanties et des caractéristiques d'évaluation du risque jugées comparables à la dette ou à la dite partie de la dette par le créancier hypothécaire et dont le terme est:
- d'un (1) an si, au moment du paiement, il reste moins de vingt-quatre (24) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de deux (2) ans si, au moment du paiement, il reste de vingt-quatre (24) à trente-six (36) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de trois (3) ans si, au moment du paiement, il reste de trente-six (36) à quarante-huit (48) mois avant l'échéance de la dette ou de ladite partie de celle-ci;
- de quatre (4) ans si, au moment du paiement, il reste de quarante-huit (48) à soixante (60) mois ou plus avant l'échéance de la dette ou de ladite partie de celle-ci;
- de cinq (5) ans si, au moment du paiement, il reste soixante (60) mois ou plus avant l'échéance de la dette ou de ladite partie de celle-ci.

Toutefois, si le paiement est effectué moins de trois (3) mois avant l'échéance de la dette ou de ladite partie de la dette, l'indemnité ne devra pas excéder l'intérêt au taux alors applicable à la dette ou à ladite partie de la dette, calculé sur le montant remboursé par anticipation à compter de la date du paiement anticipé jusqu'à la date d'échéance de la dette ou de ladite partie de la dette.

b) qui porte intérêt à un taux variable, moyennant le paiement au créancier hypothécaire d'une indemnité égale à trois (3) mois d'intérêt sur le montant remboursé, et ce au taux d'intérêt alors applicable à la dette ou à ladite partie de la dette. Toutefois, si le paiement est effectué moins de trois (3) mois avant l'échéance de la dette ou de ladite partie de la dette, l'indemnité ne devra pas excéder l'intérêt au taux alors applicable à la dette ou à ladite partie de la dette, calculé sur le montant remboursé par anticipation à compter de la date du paiement anticipé jusqu'à la date d'échéance de la dette ou de ladite partie de la dette. De plus, aucune indemnité ne sera payable si le débiteur hypothécaire démontre, à la satisfaction de la Caisse, à son entière discrétion, que les sommes remboursées proviennent des fonds générés par l'exploitation de l'entreprise, d'une nouvelle émission de capital-actions par le débiteur hypothécaire, d'une injection de fonds par les propriétaires, les associés ou les actionnaires du débiteur hypothécaire ou du produit de la disposition des biens financés à l'aide de ce prêt et non d'un nouveau financement ou refinancement.

c) qui est ouverte sans indemnité.

Un paiement partiel par anticipation ne relève pas le débiteur hypothécaire de son obligation de continuer d'effectuer les paiements prévus aux présentes.

Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement effectué par le débiteur hypothécaire en vertu des présentes et non à titre de pénalité.

RENOUVELLEMENT AVANT ÉCHÉANCE

29. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps avant la date à laquelle le solde de la dette ou une partie de celle-ci devient exigible, demander au créancier hypothécaire de reporter l'échéance de la charge qui s'y applique et de fixer de nouvelles conditions d'intérêt et de remboursement, par anticipation ou autre. Si le créancier hypothécaire accepte, laquelle acceptation peut être refusée de façon déraisonnable, le débiteur hypothécaire devra payer les frais de renouvellement alors en vigueur chez le créancier hypothécaire, de même que d'une indemnité correspondant à l'indemnité calculée conformément à la clause 28 des présentes, le cas échéant.

OPTION MULTIPROJETS

30. Aucun acte du créancier hypothécaire, notamment la prorogation d'un délai prévu dans les présentes, n'a d'incidence sur les droits qu'il peut opposer au débiteur hypothécaire concernant le paiement de la somme garantie par l'hypothèque. Nonobstant le remboursement en tout ou en partie du prêt constaté par la présente hypothèque, ou de tout montant prêté en vertu de la présente clause, en acceptant cette hypothèque, le créancier hypothécaire consent à ce que le débiteur hypothécaire puisse lui demander de lui avancer à nouveau les montants qu'il avait dès lors remboursés comme si il ne les avaient jamais avant utilisés et ce, jusqu'à concurrence d'un endettement n'excédant pas la somme en principal. La demande du débiteur hypothécaire pour l'avance d'un montant doit être effectuée par écrit et doit préciser clairement les fins auxquelles servira le prêt. Le créancier hypothécaire peut à sa seule et unique discrétion accepter ou refuser la demande sans préjudice aucun à ses droits en vertu de la présente hypothèque. Le créancier hypothécaire qui accepte la demande peut exiger et le débiteur hypothécaire convient de s'acquitter des frais administratifs encourus par le créancier hypothécaire, si le créancier hypothécaire l'exige. Sur acceptation de la demande et paiement des frais administratifs, l'hypothèque et toutes autres hypothèques, charges et autres garanties prévues dans les présentes assureront au créancier hypothécaire le remboursement de tout montant ainsi déboursé en principal, intérêt, frais et accessoires et toutes clauses de cette hypothèque et de la dernière convention de renouvellement encore en vigueur continuent de s'appliquer.

De plus, et sans restreindre aucunement la généralité de ce qui précède, le créancier hypothécaire consent à ce que le débiteur hypothécaire puisse faire une demande de prorogation des délais, laquelle demande devant être faite par écrit. Le créancier hypothécaire à sa seule et unique discrétion peut accepter ou refuser la demande sans préjudice aucun à ses droits en vertu de la présente hypothèque.

Pour l'application des présentes aux montants déboursés conformément à cette clause, toute référence faite à la dette ou à l'hypothèque signifie également une référence aux montants subséquemment avancés, et, le déboursement entier doit être effectué dans les délais prescrits par le créancier hypothécaire, à son entière discrétion, à défaut de quoi le créancier hypothécaire peut à sa seule et unique discrétion refuser de faire tout autre déboursé et son acceptation sera de ce fait, révoquée absolument. Le créancier hypothécaire maintient cependant tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, et rien de ce qui précède ne doit être interprété de sorte à priver le créancier hypothécaire de ses recours pour les sommes déjà avancées.

En plus de tous les autres frais prévus dans cette clause, le débiteur hypothécaire doit payer tous frais d'inscription d'avis de renouvellement des charges prévues aux présentes.

Le débiteur hypothécaire peut renoncer en tout temps à son droit de demander au créancier hypothécaire de lui avancer à nouveau les montants conformément à la présente clause en lui remettant un avis écrit. Cette renonciation n'aura aucune incidence et ne portera pas préjudice aux recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque pour les sommes déjà avancées.

MAINLEVÉES

31. Sujet aux dispositions de cette hypothèque, suivant le remboursement de la dette dans son entièreté, des intérêts et de toutes les sommes dues en vertu de cette hypothèque ou sa renonciation complète par le créancier hypothécaire, ce dernier rédigera et signera une mainlevée de cette hypothèque et une période raisonnable lui sera allouée pour ce faire. Les frais administratifs et juridiques et toutes autres dépenses encourues dans la rédaction d'une telle mainlevée seront dus et payables par le débiteur hypothécaire avant qu'il ait droit à recevoir la mainlevée dûment signée.

TRANSPORT DE LOYERS

32. Moyennant contrepartie et à titre de garantie additionnelle du remboursement de toutes sommes dues par le débiteur hypothécaire au créancier hypothécaire sous cette hypothèque, et de l'exécution des obligations qu'elle renferme, le débiteur hypothécaire cède au créancier hypothécaire les loyers qui lui sont ou seront dus de temps à autre sous tout bail présent ou futur visant le bien-fonds donné en garantie sous cette hypothèque en tout ou en partie, de même que tous les droits qui en découlent, y compris toutes cautions qui s'y rapportent, et le débiteur hypothécaire grève en faveur du créancier hypothécaire ses droits à la réversion du bien-fonds. Le débiteur hypothécaire s'engage à souscrire et remettre au créancier hypothécaire un acte de cession de loyer établi selon le formulaire utilisé par le créancier hypothécaire dès qu'il conclura un bail visant le bien-fonds en tout ou en partie, et à livrer ou remettre au créancier hypothécaire tout acte, autre avis ou document jugé nécessaire par le créancier hypothécaire pour donner effet à la cession des dits loyers. Aucun bail visant le bien-fonds ou toute partie de celui-ci fait à une date ultérieure aux présentes sans le consentement écrit du créancier hypothécaire, lequel consentement peut être refusé de façon déraisonnable, ne pourra prendre rang devant l'hypothèque ou tout renouvellement ou prorogation de cette dernière. Nulle disposition de l'hypothèque n'a pour effet de rendre le créancier hypothécaire responsable de la perception des loyers dus sous un bail visant le bien-fonds ou de l'exécution des obligations imposées sous un tel bail et le créancier hypothécaire ne sera pas présumé être en possession du bien-fonds en raison de la présente clause. Le créancier hypothécaire accorde au débiteur hypothécaire qui rencontre les obligations renfermées dans l'hypothèque le droit de percevoir lui-même les loyers jusqu'à défaut en vertu de l'hypothèque, et ne doit rendre compte au débiteur hypothécaire que des loyers qu'il aura effectivement reçus, après déduction d'une somme raisonnable pour les frais encourus pour la perception de ceux-ci.

FAILLITE DU DÉBITEUR

33. Il est convenu que dans l'éventualité où le débiteur hypothécaire fait une cession de biens au bénéfice des créanciers ou fait l'objet d'une exécution ou saisie-gagerie, ou est failli, ou est insolvable, l'hypothèque sera en défaut, et le créancier hypothécaire pourra exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui est contenu.

GESTION-SÉQUESTRE

34. Nonobstant toutes autres dispositions dans les présentes, il est convenu qu'advenant un défaut en vertu des présentes, le créancier hypothécaire peut, qu'il soit ou non en possession du bien-fonds, ou toutes parties de ce dernier, par acte écrit, nommer toute personne, qu'il s'agisse ou non d'un représentant ou employé du créancier hypothécaire, séquestre du bien-fonds ou de toutes parties du bien-fonds et des loyers et revenus tirés de ce dernier, avec ou sans cautionnement, et peut de temps à autre par acte semblable révoquer la nomination du séquestre et lui substituer une autre personne, et dans le cadre d'une telle nomination ou révocation, le créancier hypothécaire sera réputé agir à titre d'agent ou procureur du débiteur hypothécaire, sauf qu'une telle nomination ne sera pas révocable par le débiteur hypothécaire. Lors de la nomination d'un séquestre, les dispositions suivantes s'appliqueront:

> **a) Le séquestre aura un accès illimité au bien-fonds à titre d'agent et procureur du débiteur hypothécaire (lequel droit d'accès ne pourra être révoqué par le débiteur hypothécaire) et aura plein droit et pouvoir et l'autorité illimitée de**
>
> > **i) percevoir les loyers et revenus tirés de locations ou de l'exploitation du bien-fonds, qu'ils aient été créés avant ou après l'hypothèque,**
> >
> > **ii) louer ou exploiter toutes parties du bien-fonds qui puissent devenir vacantes sujet aux termes et conditions qu'il juge appropriés et donner à bail et signer des baux, accepter des rétrocessions et mettre fin à des baux,**
> >
> > **iii) compléter la construction de tout bâtiment ou bâtiments ou de toute autre érection ou amélioration sur le bien-fonds laissée par le débiteur hypothécaire dans un état non-complet ou mandater d'autres personnes afin qu'elles complètent, achètent, réparent et/ou maintiennent tous biens mobiliers incluant, sans limitation, tout appareil et équipement nécessaire ou désirable afin de rendre les lieux exploitables ou louables, et prendre possession et utiliser ou permettre à d'autres qu'ils utilisent toutes parties des matériaux, fournitures, plans, outils, équipements (incluant appareils) et tous biens du débiteur hypothécaire,**
> >
> > **iv) gérer, exploiter, réparer, modifier ou agrandir le bien-fonds ou toutes parties de ce dernier,**
>
> **et le débiteur hypothécaire s'engage à ratifier et confirmer toutes actions ainsi entreprises par le séquestre et toutes personnes mandatées par ce dernier.**
>
> **b) Le créancier hypothécaire peut, à sa discrétion, conférer au séquestre tous ses droits et pouvoirs.**

c) Le créancier hypothécaire peut fixer une compensation raisonnable pour le séquestre qui aura droit de déduire celle-ci des revenus et produits de vente tirés du bien-fonds.

d) Le séquestre sera réputé être un agent ou procureur du débiteur hypothécaire, et dans aucune circonstance, sera-t-il réputé être l'agent ou procureur du créancier hypothécaire et le créancier hypothécaire ne sera pas responsable pour les actions ou omissions du séquestre.

e) La nomination du séquestre par le créancier hypothécaire ne créera aucune responsabilité ou obligation de la part du créancier hypothécaire envers le séquestre ou le débiteur hypothécaire ou toute autre personne et aucune nomination ou révocation du séquestre et aucune action du séquestre n'auront pour effet de faire du créancier hypothécaire un créancier hypothécaire en possession du bien-fonds.

f) Le séquestre n'aura pas la responsabilité de rendre compte au débiteur hypothécaire de sommes d'argent autres que les sommes d'argent qu'il aura effectivement reçues en ce qui a trait au bien-fonds, ou toute partie de ce dernier, après déduction des sommes suivantes, dans l'ordre qui suit:

- **i) sa compensation telle que prévue ci-haut;**
- **ii) tous frais et dépenses de toute nature encourus par le séquestre dans l'exercice de ses pouvoirs conférés par les présentes;**
- **iii) tous les intérêts, principal et autres sommes qui pourraient grever ou devenir une charge prioritaire à l'hypothèque, incluant tous impôts fonciers;**
- **iv) tous les intérêts, principal et autres sommes dues en vertu de l'hypothèque et payables dans un tel ordre, tel que déterminé par le créancier hypothécaire à son entière discrétion;**
- **v) tout surplus au débiteur hypothécaire auquel le séquestre devra rendre compte.**

La compensation et les dépenses du séquestre seront payées par le débiteur hypothécaire sur demande et grèveront le bien-fonds et porteront intérêt à partir de la date à laquelle ils auront été exigés par le séquestre au même taux que celui prévu dans l'hypothèque.

g) Sauf pour les réclamations dont le séquestre doit rendre compte telles que prévues au paragraphe f) de cette clause, le débiteur hypothécaire libère et donne mainlevée au séquestre pour toutes réclamations de toute nature, en dommages ou non qui surviennent ou pourraient être causées par le débiteur hypothécaire ou toute personne réclamant par l'entremise de ou au nom du débiteur hypothécaire en raison de ou résultant de toute action posée par le séquestre, à moins qu'une telle réclamation ait pour cause immédiate la malhonnêteté ou fraude du séquestre.

h) Le créancier hypothécaire peut, en tout temps et de temps à autre, mettre fin à la gestion-séquestre par voie d'avis écrit au débiteur hypothécaire et au séquestre.

i) La déclaration sous serment d'un représentant du créancier hypothécaire ayant trait au défaut du débiteur hypothécaire en vertu de l'hypothèque et à la nomination d'un séquestre en vertu des présentes, sera preuve concluante de cet état de fait pour les fins de toute personne transigeant avec le séquestre lorsque ce dernier exerce ses pouvoirs de façon ostensible et une telle transaction sera réputée, en ce qui a trait à cette personne, valide.

j) Les droits et pouvoirs conférés dans les présentes au séquestre sont en sus de et non en substitution de tout autre droit et pouvoir que le créancier hypothécaire peut avoir.

ENVIRONNEMENT

Définitions

35. (a) Les définitions qui suivent s'appliquent à cette clause:

***conséquence préjudiciable*: s'entend de l'une ou plusieurs des conséquences suivantes:**

- **i) la dégradation de la qualité de l'environnement naturel relativement à tout usage qui peut en être fait,**
- **ii) le tort ou les dommages causés à des biens, des végétaux ou des animaux,**
- **iii) la nuisance ou les malaises important causés à quiconque,**
- **iv) l'altération de la santé de toute personne, animal ou végétation,**
- **v) l'atteinte à la sécurité de quiconque,**
- **vi) le fait de rendre des biens, des végétaux ou des animaux impropres à l'usage des êtres humains,**
- **vii) la perte de jouissance de l'usage normal d'un bien,**
- **viii) le fait d'entraver la marche normale des affaires.**

***contaminant*: solide, liquide, gaz, son, odeur, chaleur, vibration, radiation, polluant ou combinaison de ces éléments qui proviennent, directement ou indirectement, des activités humaines et qui peuvent avoir une conséquence préjudiciable.**

***document*: s'entend en outre d'un enregistrement sonore, d'une bande magnétoscopique, d'un film, d'une photo, d'un tableau, d'un graphique, d'une carte, d'un plan, d'un levé, d'une étude, d'une vérification, d'un livre de comptes et des renseignements enregistrés ou conservés par n'importe quel moyen et comprend notamment, les états de comptes, relevé de comptes, lettres, avis, dossiers et tout autre écrit ou chose se rapportant au projet, les activités du débiteur hypothécaire, la propriété sur laquelle s'exerce les activités du débiteur hypothécaire ou se rapportant à toute discussion ou affaire du débiteur hypothécaire ou de l'activité engagée par le débiteur hypothécaire qui pourraient avoir une incidence environnementale.**

***lois environnementales*: s'entend de toute législation internationale, fédérale, provinciale, municipale, de tout règlement, traité, arrêté, code, entente qui est présentement en vigueur ou qui le deviendra dans le futur qui a pour but la protection de l'environnement ou qui se rapporte à ou qui régit les produits dangereux, le transport des produits dangereux, les sources de contamination, les émissions toxiques, les déchets toxiques, les contaminants et les polluants et, sans limiter la généralité de ce qui précède, s'entend de la *Loi sur la protection de l'environnement* de l'Ontario, de la *Loi canadienne sur la protection de l'environnement*, 1999, telles que modifiées par la législature ou le Parlement de temps à autre.**

***produits dangereux*: s'entend collectivement de tout contaminant, substance toxique, ou de toute autre substance qui, si elle était rejetée dans l'environnement, serait susceptible de causer immédiatement ou dans le futur, une conséquence préjudiciable.**

projet: s'entend en outre du bien-fonds incluant le terrain de surface du projet (qui n'est pas contenu dans un bâtiment), terrain immergé, tout cours d'eau sur le bien-fonds, sous-sol ou combinaison ou partie de ces éléments et de toute activité engagée sur le bien-fonds.

propriété attenante: s'entend de toute propriété qui touche ou qui est contiguë au projet.

propriété environnante: s'entend de toute propriété qui pourrait subir une conséquence préjudiciable par la source de contamination.

rejet: s'entend en outre d'un ajout, d'un dépôt, d'une perte, d'une émission, d'un déversement ou d'une filtration; le verbe rejeter s'entend en outre d'ajouter, de déposer, de perdre, d'émettre, de déverser et de filtrer.

source de contamination: tout ce qui rejette un contaminant quelconque dans l'environnement.

Dans le cas où les définitions contenues dans la présente clause se voient attribuées un sens plus large que celui contenu dans les présentes suite à toute modification à toute loi applicable, les définitions dans la présente clause incluront le sens plus large.

Engagements:

(b) Le débiteur hypothécaire prend les engagements suivants envers le créancier hypothécaire et lui garantit ce qui suit:

(i) Le débiteur hypothécaire ne causera et ne permettra pas que soit causé, le rejet de produits dangereux ou de contaminant sur le projet ou provenant du projet, sur une propriété attenante ou environnante ou sur un cours d'eau versant sur le projet ou sur une propriété attenante ou environnante.

(ii) Le débiteur hypothécaire se conformera en tout temps aux lois environnementales et prendra toute mesure afin de s'assurer que toute personne, dont permission a été accordée à utiliser, occuper, gérer ou opérer le projet, se conforme aux lois environnementales.

(iii) Le débiteur hypothécaire accorde par la présente le droit absolu au créancier hypothécaire d'effectuer de temps à autre, aux frais du débiteur hypothécaire, des tests, inspections, études, vérifications ou évaluations environnementales, y compris le droit d'effectuer des tests du sol ou de l'eau ou de toute autre chose et de prendre des échantillons du projet.

(iv) Le débiteur hypothécaire accorde par la présente accès sans aucune limitation au créancier hypothécaire à tous documents du débiteur hypothécaire qui se rapportent au projet et ce droit comprend le droit de faire des copies des documents et d'en maintenir le contrôle.

(v) Le débiteur hypothécaire n'exercera en aucun temps et ne permettra à quiconque d'exercer une activité qui pourrait mener à l'imposition d'une sanction, arrêté, amende, ordonnance, injonction, action, jugement ou responsabilité en vertu des lois environnementales ou qui aurait l'effet de créer un privilège quelconque sur le projet.

(vi) Le débiteur hypothécaire se conformera à toutes les exigences imposées par les lois environnementales et sans restreindre la généralité de ce qui précède, obtiendra tout permis, licences ou autres autorisations requises en ce qui a trait au projet.

(vii) Le débiteur hypothécaire s'engage à aviser le créancier hypothécaire immédiatement de tout rejet de produit dangereux ou de contaminant sur le projet ou provenant du projet et s'engage à donner immédiatement au créancier hypothécaire des copies de toute ordonnance, arrêté, avis, permis, requête, jugement, amende, procédure, communication et document portant sur le rejet ou relatif à toute autre affaire environnementale qui pourrait avoir une incidence sur le projet.

(viii) Le débiteur hypothécaire se chargera d'enlever promptement et à ses frais, tout produit dangereux ou contaminant sur le projet, toute propriété attenante, toute propriété environnante et cours d'eau affecté.

(ix) Le débiteur hypothécaire n'installera pas et ne permettra pas que soit installé sur le projet de l'isolat urée formaldéhyde, de l'asbestose ou tout autre produit dangereux.

(x) Le débiteur hypothécaire avisera immédiatement le créancier hypothécaire de toute violation possible, anticipée ou effective des lois environnementales et de toute enquête conclue, en instance ou anticipée.

(xi) Sur demande écrite du créancier hypothécaire, le débiteur hypothécaire, à ses propres frais, fournira copies au créancier hypothécaire, de toute évaluation environnementale du projet ou de toute vérification y compris copies des mises à jour apportées aux évaluations ou vérifications antérieures.

(xii) Sur réception de tous documents se rapportant au projet et soulevant une question environnementale, le débiteur hypothécaire s'engage à fournir copie du dit document au créancier hypothécaire.

Indemnité

(c) Le débiteur hypothécaire s'engage à indemniser et protéger le créancier hypothécaire, ses agents, administrateurs, directeurs, employés, séquestres ou administrateurs-séquestres, pour toutes pertes, responsabilités, réclamations, dommages, coûts, dépenses, frais juridiques, déboursés et autres préjudices qu'il pourrait subir:

(i) en vertu des lois environnementales y compris pour tout privilège que l'on pourrait opposer aux intérêts du créancier hypothécaire;

(ii) en raison du rejet de produits dangereux ou de contaminants dans l'environnement et sans limiter la généralité de ce qui précède, y compris les frais nécessaires à la défense et/ou pour une demande entre défendeurs, une demande reconventionnelle ou d'une action contre une mise-en-cause et pour tous les coûts, responsabilités et dommages-intérêts résultant d'un règlement conclu par le créancier hypothécaire; et

(iii) en raison de l'obligation de se conformer aux exigences d'une ordonnance, arrêté, injonction, jugement, règlement ou autre obligation semblable émis en raison du dépôt, de l'entrepôt, de la destruction, de l'enterrement, de l'injection, du déversement, du rejet, de l'emplacement ou de l'installation sur le projet, la propriété attenante ou environnante de produits dangereux ou contaminants, et ce, sans égard et nonobstant le degré de l'implication ou de la connaissance du débiteur hypothécaire et il est sans importance que les événements donnant naissance à l'obligation aient eu lieu avant ou après la date de l'hypothèque.

Les obligations et engagements de la présente clause survivront à la forclusion, l'extinction ou à toute autre libération ou quittance de l'hypothèque. Tout montant pour lequel le débiteur hypothécaire sera redevable au créancier hypothécaire en vertu de la présente clause et que le créancier hypothécaire doit lui-même payer sujet à l'indemnité ici prévue s'ajoutera à la créance hypothécaire et portera intérêt au taux prévu dans cette hypothèque.

Droit d'entrée et autres droits du créancier hypothécaire

(d) Dans le cas où il y a eu rejet d'un produit dangereux ou d'un contaminant pouvant avoir une conséquence préjudiciable que la source de contamination soit le projet ou non, ou dans le cas où le débiteur hypothécaire manque à ses obligations en vertu des lois environnementales, le créancier hypothécaire peut, à sa seule et unique discrétion et sans obligation aucune, donner tout avis et effectuer tout travail qu'il estime nécessaire et raisonnable pour le projet et prendre toute autre mesure pour remédier au déversement, rejet ou émission ou pour remédier aux manquements du débiteur hypothécaire.

Le créancier hypothécaire peut, en tout temps, à sa discrétion et sans obligation aucune, qu'il y ait ou non défaut, entrer sur le projet pour l'inspecter, y effectuer des tests, études, vérifications, évaluations ou autres mesures environnementales jugées nécessaires.

Il est entendu que tout exercice du droit d'entrée, du droit de faire effectuer des travaux, de demander de l'information et d'être informé de mesures environnementales, ne constitue aucunement et ne pourra être considéré comme une prise de possession du projet par le créancier hypothécaire et rien de ce qui précède et rien dans les présentes seront interprétées de sorte à ce que le créancier hypothécaire soit ou ait le contrôle, la responsabilité, la gestion ou l'occupation du projet.

Le débiteur hypothécaire convient que tout manquement aux engagements, obligations ou dispositions contenus dans cette clause constituera un défaut en vertu de l'hypothèque et le créancier hypothécaire peut, à sa discrétion et sans obligation aucune, exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

CONSENTEMENT DU CONJOINT

36. Le conjoint du débiteur hypothécaire consent à la présente transaction telle qu'attestée par l'hypothèque et libère tout intérêt dans le bien-fonds de façon à pouvoir donner effet aux droits du créancier hypothécaire en vertu des présentes, et convient que le créancier hypothécaire peut, sans avis additionnel, transiger avec le débiteur hypothécaire en ce qui a trait au bien-fonds et la créance créée par l'hypothèque selon ce qu'il juge approprié.

AVIS DE CERTAINS CHANGEMENTS

37. Le débiteur hypothécaire s'engage à donner avis sur-le-champ au créancier hypothécaire dans l'éventualité où des changements se produisent qui ont une incidence sur:

a) L'état civil du débiteur hypothécaire,

b) La classification du bien-fonds à titre de foyer conjugal selon la définition contenue dans la Partie II de la *Loi sur le droit de la famille*, telle que modifiée de temps à autre,

c) Le droit de propriété du bien-fonds,

afin que le créancier hypothécaire dispose en tout temps des noms et adresses des propriétaires du bien-fonds et de toute personne en qui repose un droit à la jouissance et l'occupation du bien-fonds en vertu de l'article 19 de la *Loi sur le droit de la famille*, telle que modifiée de temps à autre. À cette fin, le débiteur hypothécaire s'engage en outre à fournir au créancier hypothécaire sur demande toute preuve jugée par lui nécessaire relativement aux items a), b) et c) susdits.

SOCIÉTÉS

38. Il est convenu que les événements suivants constituent un défaut en vertu de l'hypothèque, lorsque le débiteur hypothécaire est une société ou personne morale et que cette dernière:

(a) cesse d'exploiter tout ou une partie des activités d'affaires, est liquidée, dissoute ou répartie, fait une cession de biens au bénéfice des créanciers ou gestion-séquestre, est faillie, ou fait l'objet d'une exécution ou saisie-gagerie;

(b) fait défaut en vertu de toutes autres obligations d'emprunt d'argent;

(c) change le contrôle véritable; ou

(d) réorganise, fusionne, fait une cession du titre du bien-fonds avec une partie ayant lien de dépendance, sans le consentement écrit préalable du créancier hypothécaire, lequel consentement peut être refusé de façon déraisonnable.

ADMINISTRATION DE L'ENTREPRISE

39. Le débiteur hypothécaire doit administrer et exploiter son entreprise sur le bien-fonds de façon diligente et prudente, et doit fournir au créancier hypothécaire tous les renseignements qu'il peut raisonnablement demander à ce sujet, y compris tous documents ayant trait à l'administration ou l'exploitation de l'entreprise et attestant du respect de ses obligations en vertu des présentes. Le débiteur hypothécaire convient qu'il ne procédera pas à la vente de son entreprise, ni à sa location, cession, fusion, interruption ou liquidation et qu'il ne mettra pas fin ou ne cessera pas la totalité ou une partie de l'exploitation de son entreprise pour quelque période que ce soit sans le consentement préalable du créancier hypothécaire, lequel consentement peut être refusé de façon déraisonnable, sans quoi le créancier hypothécaire pourra, à son entière discrétion, exiger le remboursement immédiat de la dette, des intérêts et de toutes autres sommes dues en vertu de l'hypothèque et il lui sera loisible d'exercer tous ses recours, droits et pouvoirs disponibles en droit ou en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

CHANGEMENT DÉFAVORABLE

40. Le débiteur hypothécaire convient d'aviser le créancier hypothécaire sur-le-champs de toutes circonstances, événements, actions, réclamations ou changements qui ont ou qui pourraient avoir un effet défavorable sur la situation financière du débiteur ou sur le bien-fonds.

Dans le cas où il y a un changement défavorable substantiel, tel que déterminé par le créancier, à son entière discrétion:

i) à la situation financière du débiteur hypothécaire ou de tout garant;

ii) aux affirmations et garanties données par le débiteur hypothécaire ou tout garant relativement à l'hypothèque; ou

iii) au bien-fonds.

alors, le créancier hypothécaire pourra, à son option, exiger le remboursement immédiat de la dette, des intérêts et de toutes autres sommes dues en vertu de l'hypothèque et pourra exercer ses recours, droits et pouvoirs en droit et en vertu de l'hypothèque, y compris le pouvoir de vente qui y est contenu.

ÉTATS FINANCIERS ET INFORMATION

41. Si le bien-fonds ou toute partie de celui-ci est ou devient un immeuble à revenu ou est utilisé à des fins agricoles, commerciales ou industrielles, les dispositions suivantes s'appliqueront:

a) Le débiteur hypothécaire convient de livrer au créancier hypothécaire annuellement, à l'intérieur des quatre-vingt-dix (90) jours suivant la fin de l'exercice financier du débiteur hypothécaire:

i) les états financiers du débiteur hypothécaire et de tout garant;

ii) un état opérationnel relatif au bien-fonds incluant un état détaillé des revenus et dépenses et toute documentation à l'appui; et

iii) un état des loyers relatif au bien-fonds indiquant les locataires, espaces occupés, loyers annuels, termes des conventions de locations, options de renouvellement et détails des ventes mensuelles pour tout locataire,

dans chaque cas, préparés conformément aux normes de comptabilité généralement reconnues, appliquées de façon consistante, et dans une forme et un contenu approuvés par le créancier hypothécaire.

b) Le débiteur hypothécaire convient de livrer au créancier hypothécaire à l'intérieur des trente (30) jours suivant la demande écrite du créancier hypothécaire:

i) un état des loyers pour le bien-fonds en date de la dernière journée du quart précédent de l'année calendrier identifiant tous les baux ayant trait au bien-fonds y compris leurs termes, options de renouvellement, espaces occupés, loyers et autres charges devant être payées, dépôts sécuritaires payés, taxes payées par les locataires, charges ayant trait aux espaces communs payés par les locataires, droits de passage des locataires, concessions et autres incitatifs locatifs, loyers en arrérages, escalade des loyers, sommes acceptées en règlement d'arrérages, perception de loyers pour plus d'un mois à l'avance, obligations opérationnelles continues, dispositions d'annulation et dispositions de non-compétition;

ii) états opérationnels mensuels et à jour préparés pour chaque mois calendrier durant chaque quart annuel, chacun comprenant le détail des dépenses actuelles capitales pour ladite période;

iii) un bilan relatif à chaque tel mois;

iv) toute autre information financière exigée par le créancier hypothécaire,

dans chaque cas, préparés conformément aux normes de comptabilité généralement reconnues, appliquées de façon consistante, et dans une forme et un contenu approuvés par le créancier hypothécaire.

c) Le débiteur hypothécaire convient de maintenir, en tout temps, ses dossiers et livres de comptabilité relatifs au bien-fonds et à l'entreprise en bonne et due forme.

d) Le créancier hypothécaire peut, par la voie de ses directeurs ou représentants autorisés, en tout temps durant les heures d'affaires normales, inspecter et examiner les dossiers et livres de comptabilité du débiteur hypothécaire relatifs au bien-fonds et à l'entreprise du débiteur hypothécaire qui y a trait et faire des copies ou extraits des dits dossiers et livres de comptabilité et effectuer tout examen des dits dossiers ou livres de comptabilité ou autres dossiers du débiteur hypothécaire que le créancier hypothécaire estime nécessaire et le débiteur hypothécaire convient d'aviser le créancier hypothécaire du lieu de tels dossiers et livres de comptabilité sur demande et de pourvoir toute assistance requise par le créancier hypothécaire relativement à son examen des dits dossiers et livres de comptabilité, y compris fournir au créancier hypothécaire une copie de tous reçus ou autres pièces justificatives qu'il peut exiger.

OBSERVATIONS DES LOIS

42. Le débiteur hypothécaire convient de promptement observer, effectuer, exécuter et respecter toutes les lois, règles, pré-requis, ordonnances, directives, arrêtés et règlements de toutes autorités ou agences gouvernementales en ce qui a trait au bien-fonds et effectuera, à ses propres frais, toute amélioration ou altération, structurale ou autre, qui peut être requise en tout temps en vertu de tels lois, règles, pré-requis, ordonnances, directives, arrêtés ou règlements, présents ou futurs. Le créancier hypothécaire lorsqu'il le juge nécessaire, peut par la voie d'un arpenteur ou agent pénétrer sur le bien-fonds et effectuer une inspection et effectuer toute amélioration et altération jugée nécessaire afin de rendre le bien-fonds conforme avec tels lois, règles, pré-requis, ordonnances, directives, arrêtés ou règlements et le coût raisonnable de telle inspection, amélioration et altération portant intérêt au taux prévu dans cette hypothèque sera exigible sur-le-champ et grèvera le bien-fonds.

AVIS

43. Sauf si prévu autrement en loi ou dans l'hypothèque, tout avis requis ou contemplé en vertu de cette hypothèque, incluant toute demande de paiement, sera par écrit et:

(a) S'il est donné au débiteur hypothécaire peut être envoyé par courrier recommandé à la dernière adresse connue du débiteur hypothécaire telle qu'indiquée dans les dossiers du créancier hypothécaire ou livré personnellement au débiteur hypothécaire à cette adresse;

(b) S'il est donné au créancier hypothécaire, peut être envoyé par courrier recommandé au bureau du créancier hypothécaire où les paiements en vertu de cette hypothèque sont requis d'être effectués ou livré personnellement à cette adresse;

et de tels avis seront réputés être donnés et reçus à la date à laquelle ils ont été livrés personnellement ou si envoyés par courrier recommandé, le troisième jour ouvrable suivant la date à laquelle ils ont mis à la poste, qu'ils aient été ou non reçus.

DIVISIBILITÉ DES DISPOSITIONS NON-VALIDES

44. Il est convenu qu'advenant le cas où toute disposition des présentes soit illégale, nulle, inapplicable ou contradictoire aux dispositions des lois applicables ou des règlements faits en vertu de celles-ci ou qu'en vertu de celles-ci le créancier hypothécaire ne pourrait percevoir le montant de toutes pertes subies par ce dernier en vertu de l'hypothèque et qu'il aurait autrement pu percevoir en vertu de telles lois, alors telle disposition ne s'appliquera pas et sera réputée ne pas s'appliquer jusqu'à concurrence de sa qualité illégale, nulle, inapplicable ou contradictoire et cette hypothèque demeurera exécutoire sans cette disposition.

INTERPRÉTATION

45. Sauf si expressément prévu à l'effet contraire, lorsque deux (2) ou plusieurs personnes sont liées par les présentes, cette responsabilité sera conjointe et solidaire.

Dans les présentes et dans les annexes à l'hypothèque, les titres et notes marginales ne servent qu'à faciliter les renvois et n'ont pas d'incidence sur l'interprétation de l'hypothèque, des présentes ou d'une stipulation de celles-ci.

Les mots au singulier comprennent le pluriel et vice-versa, et les mots impliquant le masculin comprennent le féminin et vice-versa, là où le contexte l'exige.

TABLEAU D'ÉQUIVALENCES DE TAUX

46. L'information qui suit est fournie dans l'éventualité où l'intérêt payable en vertu de l'hypothèque est calculé mensuellement, non à l'avance et/ou est à un taux variable et le taux applicable peut changer de temps à autre.

Les colonnes A indiquent le taux d'intérêt calculé mensuellement, non à l'avance; les colonnes B indiquent le taux équivalent calculé semestriellement, non à l'avance.

A	B	A	B	A	B	A	B	A	B	A	B
2,500	2,5131	5,625	5,6913	8,750	8,9111	11,875	12,1727	15,000	15,4766	18,125	18,8233
2,625	2,6394	5,750	5,8193	8,875	9,0407	12,000	12,3040	15,125	15,6097	18,250	18,9581
2,750	2,7658	5,875	5,9474	9,000	9,1704	12,125	12,4354	15,250	15,7428	18,375	19,0929
2,875	2,8923	6,000	6,0755	9,125	9,3002	12,250	12,5669	15,375	15,8760	18,500	19,2278
3,000	3,0188	6,125	6,2037	9,250	9,4301	12,375	12,6985	15,500	16,0092	18,625	19,3628
3,125	3,1454	6,250	6,3319	9,375	9,5600	12,500	12,8301	15,625	16,1425	18,750	19,4979
3,250	3,2721	6,375	6,4603	9,500	9,6900	12,625	12,9618	15,750	16,2759	18,875	19,6330
3,375	3,3988	6,500	6,5887	9,625	9,8201	12,750	13,0935	15,875	16,4094	19,000	19,7682
3,500	3,5256	6,625	6,7171	9,750	9,9502	12,875	13,2253	16,000	16,5429	19,125	19,9034
3,625	3,6525	6,750	6,8456	9,875	10,0804	13,000	13,3572	16,125	16,6765	19,250	20,0387
3,750	3,7794	6,875	6,9742	10,000	10,2107	13,125	13,4892	16,250	16,8102	19,375	20,1741
3,875	3,9064	7,000	7,1029	10,125	10,3410	13,250	13,6212	16,375	16,9439	19,500	20,3096
4,000	4,0335	7,125	7,2316	10,250	10,4714	13,375	13,7533	16,500	17,0777	19,625	20,4451
4,125	4,1606	7,250	7,3604	10,375	10,6019	13,500	13,8854	16,625	17,2116	19,750	20,5807
4,250	4,2878	7,375	7,4892	10,500	10,7324	13,625	14,0177	16,750	17,3455	19,875	20,7163
4,375	4,4151	7,500	7,6182	10,625	10,8630	13,750	14,1499	16,875	17,4795	20,000	20,8521
4,500	4,5424	7,625	7,7472	10,750	10,9937	13,875	14,2823	17,000	17,6136	20,125	20,9879
4,625	4,6698	7,750	7,8762	10,875	11,1244	14,000	14,4147	17,125	17,7477	20,250	21,1238
4,750	4,7973	7,875	8,0053	11,000	11,2552	14,125	14,5472	17,250	17,8819	20,375	21,2597
4,875	4,9248	8,000	8,1345	11,125	11,3861	14,250	14,6798	17,375	18,0162	20,500	21,3957
5,000	5,0524	8,125	8,2638	11,250	11,5170	14,375	14,8124	17,500	18,1506	20,625	21,5318
5,125	5,1800	8,250	8,3931	11,375	11,6480	14,500	14,9451	17,625	18,2850	20,750	21,6680
5,250	5,3078	8,375	8,5225	11,500	11,7791	14,625	15,0779	17,750	18,4195	20,875	21,8042
5,375	5,4355	8,500	8,6519	11,625	11,9102	14,750	15,2108	17,875	18,5540	21,000	21,9405
5,500	5,5634	8,625	8,7815	11,750	12,0414	14,875	15,3437	18,000	18,6887	21,125	22,0768

Daté le 12e jour du mois de septembre 2002.

LA FÉDÉRATION DES CAISSES POPULAIRES DE L'ONTARIO INC.

Jean-Guy Laflèche, Directeur Opérations

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200225 Cote

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200226 Cote
Filing Date Oct. 22, 2002 Date de Dépôt
Page 1 of/de Twenty Four (24) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS

Filed by:
HEARTLAND COMMUNITY CREDIT UNION LIMITED

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

TABLE OF CONTENTS

		PAGE #
1.	DEFINITIONS	1
2.	FREEHOLD CHARGE	4
3.	COLLATERAL SECURITY	4
4.	CHARGE RATE	4
5.	DEFEASANCE	5
6.	TAXES	5
7.	COMPOUND INTEREST	6
8.	OBLIGATION TO MAINTAIN ACCOUNT	6
9.	PREPAYMENT PRIVILEGES	6
10.	EQUIVALENT INTEREST RATES	8
11.	DEEMED COVENANTS EXCLUDED	10
12.	COVENANTS IN LIEU OF STATUTORY COVENANTS	10
13.	LEASEHOLD PROVISIONS	11
14.	EXPROPRIATION	13
15.	RELEASE	13
16.	ENTRY AFTER DEFAULT AND POWER OF SALE	13
17.	DISTRESS	14
18.	PRINCIPAL DUE ON DEFAULT	14
19.	CHARGOR'S QUIET POSSESSION UNTIL DEFAULT	14
20.	BUILDINGS, ADVANCES AND COST OF SEARCH	14
21.	FIXTURES	15
22.	PARTIAL RELEASE	15
23.	DEFAULT IN PRIOR CHARGES	15
24.	DEFAULT IN COLLATERAL AGREEMENTS	15
25.	LIENS AND CONSTRUCTION	15
26.	WASTE, VACANCY, REPAIR AND BUILDING COMPLETION	16
27.	INSPECTION	16
28.	ALTERATIONS	16
29.	NON-MERGER	16
30.	RIGHTS ON DEFAULT	16
31.	OBLIGATIONS SURVIVE SALE	16
32.	DUE ON SALE	16
33.	PORTABILITY OPTIONS	17
34.	PRIOR ENCUMBRANCES	17
35.	SUBSEQUENT ENCUMBRANCES	17
36.	ONTARIO NEW HOME WARRANTIES PLAN ACT	18
37.	PROHIBITION AGAINST RENTAL	18
38.	COVENANTOR OR GUARANTOR	18
39.	EXTENSIONS	19
40.	BONUS ON DEFAULT	19
41.	DISCHARGE	19
42.	OTHER SECURITY	20
43.	PLACE OF PAYMENT	20
44.	SPOUSE'S CONSENT	20
45.	FAMILY LAW ACT	20
46.	SEVERABILITY OF ANY INVALID PROVISIONS	20
47.	NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS	20
48.	FARMLANDS	21
49.	CHANGE OF CORPORATE CONTROL	21
50.	COMPLIANCE WITH THE LAW AND ENVRIONMENTAL COMPLIANCE	21
51.	CONDOMINIUMS	22
52.	RENEWAL OR EXTENSION	22
53.	RECEIVERSHIP	22
54.	CHARGEE EXPENSES	23
55.	FURTHER ASSURANCES	24
56.	INTERPRETATION	24
57.	CONFLICT	24
58.	ASSIGNMENT AND SYNDCICATION	24
59.	PARAGRAPH HEADINGS	24
60.	DATEOFCHARGE	24
61.	EFFECT OF DELIVERY OF ERS CHARGE	24

1. DEFINITIONS

(a) General Definitions

The following terms shall have the following meanings irrespective of whether the Charge is an ERS Charge or a Form 2 Charge:

(i) "Charge" - means a Form 2 Charge or ERS Charge in which this set of standard charge terms is deemed to be included pursuant to the Land Registration Reform Act and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, amendments thereto, and includes this set of standard charge terms;

(ii) "Charge Rate" - has the meaning given to it in section 4 of these standard charge terms, as applicable;

(iii) "Charged Premises" - means the lands and premises described in the Charge, including all improvements thereto and all fixtures forming a part thereof;

(iv) "CMHC" - means Canada Mortgage and Housing Corporation and any successor or any similar corporation that insures non-conventional mortgages;

(v) "Condominium Act" - means the *Condominium Act*, R.S.O. 1990, c.C.26, as amended or replaced from time to time;

(vi) "Condominium Corporation" - means the condominium corporation created by the registration pursuant to the Condominium Act of a Declaration in which a portion of the lands described in the Declaration are the Charged Premises;

(vii) "Declaration" - means the declaration which, together with a description, was registered pursuant to the Condominium Act thereby creating the Condominium Corporation, as same may be amended from time to time;

(viii) "Deferred Interest" - means the amount by which the interest that has accrued on the aggregate of the portion of the Principal Amount then outstanding from one payment date under the Charge to the next payment date under the Charge exceeds the Payment Amount (or such other amount agreed to by the Chargor and the Chargee, in writing as the amount to be paid on a payment date) and thus remains unpaid;

(ix) "Double Payment Option" - means the prepayment privilege described in paragraph 9(b) of these standard charge terms;

(x) "ERS Charge" - means a charge in an electronic format registered electronically pursuant to the provisions of Part III of the Land Registration Reform Act and the regulations made pursuant thereto;

(xi) "Form 2 Charge" - means a Charge/Mortgage of Land registered using a paper based system of registration pursuant to the provisions of Part I of the Land Registration Reform Act and the regulations made pursuant thereto;

(xii) "Land Registration Reform Act" - means the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended or replaced from time to time;

(xiii) "Lease" - has the meaning given to it in section 13 of these standard charge terms;

(xiv) "Loan to Value Ratio" – means the ratio of the Principal Amount to the lesser of: (i) the purchase price paid by the Chargor to acquire the Charged Premises; or (ii) the value of the Charged Premises on the date the Charge takes effect. The value of the Charged Premises shall be determined by the Chargee in its sole discretion;

(xv) "NHA" – means the *National Housing Act*, R.S.C. 1985, c.N-11, as amended or replaced from time to time.

(xvi) "Prime Rate" - means the variable rate of interest per year declared by the Chargee from time to time to be its prime rate for Canadian dollar loans made by the Chargee in Canada;

(xvii) "Renting" - means the renting, leasing, entering into of a tenancy agreement with, or allowing occupancy by a Tenant of the whole or any part of the Charged Premises;

(xviii) "Reversion" - has the meaning given to it in paragraph 13(b) of these standard charge terms;

(xix) "taxes" - means all municipal taxes, school taxes and local improvement rates chargeable against the Charged Premises;

(xx) "Tenant" - has the meaning set out in Section 1 of the *Tenant Protection Act, 1997*, SO. 1997, c. 24, as amended (the "Tenant Protection Act"); and

(xxi) "term" - means the period of time from the Interest Adjustment Date to the agreed upon maturity date of the Charge.

(b) Form 2 Charge Definitions

If the Charge is a Form 2 Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in Box 9(i);

(ii) "Box" - means a box contained in the Form 2 Charge in which the names of parties to and the terms of the Form 2 Charge may he indicated;

(iii) "Chargee" - means the party referenced in Box 14;

(iv) "Chargor - means each and every party referenced in Box 11;

(v) "Covenantor" - has the meaning given to it in section 35 of these standard charge terms;

(vi) "First Payment Date" - means the date indicated in Box 9(f) or as agreed to in writing between the Chargor and Chargee;

(vii) "Fixed Rate Mortgage" - has the meaning given to it in section 4 of these standard charge terms;

(viii) "Interest Adjustment Date" - means the date indicated in Box 9(d) or as agreed to in writing between the Chargor and Chargee;

(ix) "Last Payment Date" - means the date indicated in Box 9(g) or as agreed to in writing between the Chargor and Chargee;

(x) "Maximum Charge Rate" - means the percentage per annum indicated in Box 10 or as agreed to in writing between the Chargor and Chargee, which percentage is stated to be the Maximum Charge Rate for a Rate Cap Mortgage;

(xi) "Payment Amount" - means the dollar amount of money indicated in Box 9(h) or as agreed to in writing between the Chargor and Chargee;

(xii) "Principal Amount" - means the dollar amount of money indicated in Box 4;

(xiii) "Rate" - means the interest rate expressed in words and/or numbers in Box 9(b) or as agreed to in writing between the Chargor and Chargee;

(xiv) "Rate Cap Mortgage" - has the meaning given to it in section 4 of these standard charge terms;

(xv) "Variable Rate Mortgage" - has the meaning given to it in section 4 of these standard charge terms.

(c) ERS Charge Definitions

If the Charge is an ERS Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in the Computer Field entitled "Balance Due Date" or as agreed to in writing between the Chargor and Chargee;

(ii) "Chargee" - means the party indicated in the Computer Field entitled "Chargee";

(iii) "Chargor" - means each and every party indicated in the Computer Field entitled "Chargors";

(iv) "Computer Field" - means a computer data entry field in an ERS Charge into which the names of the parties to and the terms of an ERS Charge maybe indicated;

(v) "First Payment Date" - means the date indicated in the Computer Field entitled "First Payment Date" or as agreed to in writing between the Chargor and Chargee;

(vi) "Fixed Rate Mortgage" - has the meaning given to it in section 4 of these standard charge terms;

(vii) "Interest Adjustment Date" - means the date indicated in the Computer Field entitled "Interest Adjustment Date" or as agreed to in writing between the Chargor and Chargee;

(viii) "Last Payment Date" - means the date indicated in the Computer Field entitled "Last Payment Date or as agreed to in writing between the Chargor and Chargee;

(ix) "Maximum Charge Rate" - means the percentage per annum indicated in the Computer Field entitled "Additional Provisions" or as agreed to in writing between the Chargor and Chargee, which percentage is stated to be the Maximum Charge Rate for a Rate Cap Mortgage;

(x) "Payment Amount" - means the dollar amount of money indicated in the Computer Field entitled "Payment" or as agreed to in writing between the Chargor and Chargee;

(xi) "Principal Amount" - means the dollar amount of money indicated in the Computer Field entitled "Principal";

(xii) "Rate" - means the interest rate expressed in words and/or numbers indicated in the Computer Field entitled "Rate" or as agreed to in writing between the Chargor and Chargee;

(xiii) "Rate Cap Mortgage" has the meaning given to it in section 4 of these standard charge terms;

(xiv) "Variable Rate Mortgage" - has the meaning given to it in section 4 of these standard charge terms.

2. FREEHOLD CHARGE

If the Chargor named in the Charge has a fee simple interest in the Charged Premises the following paragraph applies to the Charge:

The Chargor named in the Charge of which this set of standard charge terms forms a part by reference to its filing number in such Charge charges the Charged Premises with the payment to the Chargee of the principal and interest and other monies secured by the Charge upon the terms as set out in the Charge.

3. COLLATERAL SECURITY

The Chargor has, at the request of the Chargee, agreed to give this Charge as a continuing collateral security for the payment and satisfaction to the Chargee of all obligations, debts and liabilities, past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Chargee and the Chargor or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (such obligations, debts and liabilities being hereinafter called the "liabilities") but it being agreed that this Charge at any one time will secure only that portion of the Principal Amount of the liabilities outstanding at such time which does not exceed the sum either set forth in Box 4 of a Form 2 Charge or set out in the Computer Field entitled Principal in an ERS Charge, together with any interest or compound interest accrued on the Principal Amount at such time at the Charge Rate, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge. Unless otherwise indicated by the Chargee, the Charge is not a revolving loan.

4. CHARGE RATE

Notwithstanding the fixed rate of interest set forth in the Charge, if the Chargor and the Chargee have agreed in writing that a lower rate of interest is applicable to the Principal Amount, then such lower rate of interest shall apply. The Chargor and the Chargee may also agree in writing that the Charge is either a Fixed Rate Mortgage, a Variable Rate Mortgage or a Rate Cap Mortgage and, if so agreed, the following terms shall apply:

(a) Fixed Rate Mortgage

If the Charge is a Fixed Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be: (i) if the Charge is an ERS Charge, the percentage per annum indicated in the Computer Field entitled "Rate"; or (ii) if the Charge is a Form 2 Charge, the percentage per annum indicated in Box 9 (b); or (iii) such rate as agreed to in writing between the Chargor and Chargee (such rate of interest being hereinafter referred to as the "Charge Rate") calculated half-yearly not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

(b) Variable Rate Mortgage and Rate Cap Mortgage

If the Charge is a Variable Rate Mortgage or a Rate Cap Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be the rate specified in the Charge as follows:

(i) if the Charge is an ERS Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in the Computer Field entitled "Rate" plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled "Rate"; or

(ii) if the Charge is a Form 2 Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in Box 9(b) plus or minus the number of percentage points, per annum, if any, indicated in Box 9(b); or

(iii) the percentage per annum agreed to in writing between the Chargor and the

Chargee;

such rate of interest being hereinafter referred to as the "Charge Rate", payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

If the Charge is a Variable Rate Mortgage or a Rate Cap Mortgage, the Charge Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Charge Rate will always be the Prime Rate plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled Rate of an ERS Charge, in Box 9(b) of a Form 2 Charge or as agreed to in writing between the Chargor and Chargee, as applicable, payable monthly and calculated monthly not in advance. If the Charge is a Rate Cap Mortgage, the Charge Rate shall not exceed the Maximum Charge Rate payable monthly and calculated monthly, not in advance.

The Charge Rate calculated monthly not in advance is equivalent to the rate of interest calculated half-yearly not in advance shown in the equivalent rate table found in Section 10 of these standard charge terms. The Chargor may determine the equivalent rate by locating the Charge Rate in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)". The half-yearly equivalent for the Maximum Charge Rate can be determined in the same way.

In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the certificate.

(c) NHA Variable Rate Mortgages and Rate Cap Mortgages

If the Charge is a Variable Rate Mortgage or a Rate Cap Mortgage and is an insured mortgage subject to the provisions of the NHA, the Principal Amount of the Charge cannot exceed the lesser of:

(i) 90% (or 95% if insured under the "95% Insurance Program" of CMHC or any related or successor program) of the lesser of the appraised value or purchase price of the Charged Premises, plus the CMHC insurance premium; or

(ii) 105% of the original Principal Amount of the Charge including the CMHC insurance premium.

(hereinafter the "Designated Amount")

If the Principal Amount exceeds the Designated Amount, the Chargor agrees that the Chargee may take one of the following actions:

(i) increase the amount of each regular instalment under the Charge in order to amortize the Principal Amount outstanding under the Charge over the remaining amortization period;

(ii) reduce the Principal Amount outstanding under the Charge by requiring the Chargor to make a lump sum payment sufficient to reduce the Principal Amount below the Designated Amount; or

(iii) convert the Charge to a Fixed Rate Mortgage having equal monthly payments.

5. DEFEASANCE

(a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

(b) Provided the Charge shall be void upon the Chargor paying on demand to the Chargee all of the liabilities including, without limitation, the Principal Amount with interest thereon at the Charge Rate per annum, calculated and payable monthly or half-yearly, as the case may be, as well after as before maturity, default and judgment, with interest on overdue interest at the Charge Rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Charge.

6. TAXES

It is mutually agreed between the parties to the Charge that:

(a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the taxes which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance.

(b) The Chargor shall pay to the Chargee in monthly installments on the dates on which installments of principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment of taxes.

(c) Where the period between the date of the advance and the end of the calendar year is less that one year, the Chargor shall pay to the Chargee in equal monthly installments, during such period and during the next succeeding 12 month period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 month period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

(d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable, and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount.

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee, until such debit balance is fully repaid.

The Chargee agrees to apply the foregoing deductions and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often that yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment or principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the principal and/or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of taxes to it in which case the Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge.

7. COMPOUND INTEREST

It is agreed that if default is made in the payment of any amount to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the amount in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the Charge Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

8. OBLIGATION TO MAINTAIN ACCOUNT

The Chargor agrees that, if regular payments of principal and/or interest (and taxes, if applicable) are required to be made by the provisions of the Charge or pursuant to a written agreement between the Chargor and the Chargee, the Chargor shall maintain, with a branch of the Chargee, an account of a type satisfactory to the Chargee, and, unless the Chargor has made alternate arrangements with the Chargee, the Chargee shall be entitled to automatically debit such account, by an amount equal to each payment of principal and/or interest (and taxes, if applicable),when each such payment is due. The Chargor covenants to ensure that such account always has sufficient funds on deposit to satisfy each such payment when due. If the Chargor breaches this covenant, or cancels the said authorization or closes the account (without opening and maintaining a substitute account), then such action or omission shall constitute a default under the Charge.

9. PREPAYMENT PRIVILEGES

(a) Closed Mortgages

If the Charge is closed or if the Charge is an insured mortgage subject to the provisions of the NHA, then the Chargor, when not in default, may:

(i) prepay an additional amount of principal, not exceeding 15% of the original principal amount, once in each calendar year at any time during the term of the Charge without notice or bonus. If the Chargor does not use this privilege in a calendar year, the Chargor cannot carry forward this right of prepayment for that calendar year to any subsequent year;

(ii) prepay the whole principal amount, or any part thereof in excess of 15% of the original principal amount without notice, upon payment of an amount equal to the greater of:

(A) three months interest on the outstanding Principal Amount at the time of payment at the Charge Rate in the Charge; or

(B) the amount, if any, by which the Charge Rate in the Charge exceeds interest at the current reinvestment interest rate, calculated on the amount prepaid by the Chargor, for the remaining term of the Charge. The "current reinvestment interest rate" at the time of prepayment means the rate at which the Chargee would lend to a similar borrower on the security of a similar mortgage of a similar property for a term commencing on the date of prepayment and expiring on the balance due date of the Charge.

(iii) elect to increase the regular instalments of principal and interest by any additional amount not exceeding 15% of the instalment being paid immediately prior to such increase, once in each calendar year, such increase to commence on the payment date specified by written notice to the Chargee;

(iv) provided, however, that if the Charge covers a rental housing project, as defined in the *National Housing Act*, the foregoing prepayment privileges shall not apply, but the Chargor shall, when not in default, have the privilege of paying, on the fifth anniversary of the interest adjustment date or on any monthly instalment date thereafter, the whole principal amount owing under the Charge, upon payment by way of bonus three months interest on the outstanding Principal Amount at the time of payment at the Charge Rate in the Charge;

(b) Double Payment Option

The Chargor, when not in default, may, on any instalment payment date, prepay an amount not exceeding the amount of the regular instalment of principal and interest payable on such date without notice or bonus, but any such payment shall not be less than $100. The Chargor cannot exercise unused Double Payment Option privileges on subsequent instalment payment dates. This privilege cannot be exercised by the Chargor if the Charge is a Fixed Rate Mortgage repayable in instalments of interest only.

(c) Provisions Affecting Prepayment

If the Chargor makes a permitted prepayment, whether as a lump sum or other payment or as a payment under the Double Payment Option:

(i) the payment dates of all remaining instalments will be accelerated so that the Chargor will pay the regular instalment provided for in each month commencing with the month immediately following the month in which the prepayment is made, and continuing until all monies secured by the Charge have been fully paid; and

(ii) the Chargee will apply any prepayment firstly to interest, if any, at the Charge Rate on the outstanding Principal Amount and the balance of the prepayment amount will be applied on account of the outstanding Principal Amount.

(d) Skip Payment Option

(i) General Provisions

If the Charge is a Fixed Rate Mortgage repayable in blended instalments of principal and interest, or a Variable Rate Mortgage, or a Rate Cap Mortgage, and has a term of less than 10 years, the Chargor, when not in default under the Charge, may:

(A) skip a monthly instalment or instalments under the Charge without being in default under the Charge thereby, if and to the extent that the Chargor has exercised the option to increase the monthly instalment under the Double Payment Option during the term. The aggregate value of all skipped instalments must not exceed the aggregate value of all prepayments made under the Double Payment Option; and

(B) once in each calendar year, skip any instalment under the Charge provided that the amount of the interest portion of the skipped instalment together with the portion of the Principal Amount then outstanding does not exceed the original Principal Amount. The Chargor may repay the amount of any skipped instalment at any time during the term without bonus.

If the Chargor skips any instalments as permitted above, the Chargor must nonetheless make any payment to the Chargee that is required with respect to taxes and life or life and disability insurance premiums. The amount of the interest portion of all skipped instalments will be added to the outstanding Principal Amount, will form a charge on the Charged Premises and will bear interest at the Charge Rate.

(ii) Specific Provisions for NHA Mortgages

If the Charge is governed by the provisions of the NHA, the following additional provisions shall apply in respect of the Skip Payment Option:

(A) if the Loan to Value Ratio was equal to or less than 90%, the Chargor may not skip a payment if the result would be that the aggregate of the portion of the Principal Amount then outstanding, plus the interest portion of the skipped payment would exceed the Principal Amount;

(B) if the Charge is insured under the "95%-Insurance Program" of the CMHC or any related or successor program and the Loan to Value Ratio was greater than 90%, the Chargor may not skip a payment if the result would be that the aggregate of the portion of the Principal Amount then outstanding, plus the interest portion of the skipped payment would exceed 90% of the Loan to Value Ratio;

(C) a payment may not be skipped if, as a result of the skipped payment, the original amortization period of the Charge would be exceeded; and

(D) the Chargor may not skip a payment if, on the date of the proposed skipped payment, the equivalent of four monthly payments have been skipped and have not been repaid.

(e) Open Mortgages

If the Charge is open, then the Chargor, when not in default, may prepay the whole or any part of the Principal Amount of the Charge at any time without notice or bonus.

10. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Variable Rate Mortgage which calculation is set out in paragraph 4(b) of these standard charge terms. The following table sets out interest rates calculated half yearly, not in advance which are equivalent to interest rates calculated monthly not in advance. The Chargor may determine the equivalent rate by locating the rate of interest payable under the Chargor's Variable Rate Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.375	18.016
8.125	8.264	17.500	18.151
8.250	8.393	17.625	18.285
8.375	8.522	17.750	18.419
8.500	8.652	17.875	18.554
8.625	8.781	18.000	18.689
8.750	8.911	18.125	18.823
8.875	9.041	18.250	18.958
9.000	9.170	18.375	19.093
9.125	9.300	18.500	19.228
9.250	9.430	18.625	19.363
9.375	9.560	18.750	19.498
9.500	9.690	18.825	19.633
9.625	9.820	19.000	19.768
9.750	9.950	19.125	19.903
9.875	10.080	19.250	20.039
10.000	10.211	19.375	20.174
10.125	10.341	19.500	20.310
10.250	10.471	19.625	20.445
10.375	10.602	19.750	20.581
		19.875	20.716

11. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(1) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

12. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby, covenant, promise and agree to and with the Chargee, as follows:

(a) To Maintain Membership in Credit Union

That during the currency of the Charge, the Chargor shall maintain at all times the Chargor's status as a member in good standing of Heartland Community Credit Union Limited (and its successors and assigns).

(b) To Pay and Observe Covenants

That the Chargor, shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount, and any other amounts secured by the Charge with interest at the Charge Rate at the times and in the manner limited for payment thereof, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay.

(c) For Good Title

If the Charge is a charge of a fee simple estate, that the Chargor, at the time of execution and delivery of the Charge, in the case of a Form 2 Charge, or at the time of delivery for registration, in the case of an ERS Charge, is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(d) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee, in the manner set out in the Charge.

(e) Quiet Possession on Default

That from and after default in the payment of the portion of the Principal Amount then outstanding or the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever.

(f) Further Assurances

That from and after default in the payment of the portion of the Principal Amount then outstanding, or the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor shall and will, from time to time, and at all times thereafter, make, do, suffer, execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(g) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the lands and premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(h) Insurance

(i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a copy of the Charge, if the Charge is a Form 2 Charge, or printed copy of the Charge if the Charge is an ERS Charge, shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge on account of the amounts secured by this Charge or any part thereof whether due or not then due.

(ii) If the Charged Premises are part of a condominium the insurance provisions set out above will not apply and the following will apply to the Charge:

And that the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

13. LEASEHOLD PROVISIONS

If the interest of the Chargor in the Charged Premises derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence of the Charged Premises (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

(a) all references herein to "Charged Premises" shall include all right, title and interest of the Chargor from time to time in and to the Lease and the lands and premises demised under the

Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Charge;

(b) the Chargor grants, mortgages, demises, sub-leases and charges to the Chargee all estate, term, right, title and interest of the Chargor in and to the Lease and the Charged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Chargor in or to the lands and premises demised by the Lease during the term of the Charge, together with the Lease and all right, title and interest of the Chargor in the Lease and all benefit and advantage therefrom for the Chargee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the "Reversion"), as security for the payment to the Chargee of the Principal Amount and interest on such amounts and all other amounts secured by the Charge including, without limitation, the liabilities and for the performance of all liabilities and obligations secured by the Charge upon the terms set out in the Charge;

(c) the Chargor represents and warrants to the Chargee as follows:

- (i) the Chargor has good leasehold title to the Charged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Chargee;
- (ii) the Lease is, at the time of execution and delivery of the Charge in the case of a Form 2 Charge, and at the time of delivery for registration in the case of a ERS Charge, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Chargor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;
- (iii) there have been no modifications to the Lease that have not been provided to the Chargee;
- (iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Chargor up to the date of the Charge;
- (v) the Chargor has a good tight, full power and lawful and absolute authority to demise and sublet the Lease to the Chargee in the manner aforesaid;

(d) the Chargor covenants and agrees with the Chargee as follows:

- (i) the Chargor shall stand possessed of the Reversion in trust for the Chargee to assign and dispose of the Reversion in such manner as the Chargee shall by notice in writing direct (subject to the right of redemption in the Charge) and the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to assign the term of the Lease as the Chargee shall at any time direct.
- (ii) the Chargor, at the request of the Chargee but at the cost, charge and expense of the Chargor, will grant and assign to the Chargee, or to whomever the Chargee may appoint, the Reversion or any renewal or substituted term of the Lease;
- (iii) the Chargee shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts or default which may cause the Lease to be forfeited or determined and the Chargor shall indemnify the Chargee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;
- (iv) the Chargor shall not, during the continuance of the Charge, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;
- (v) the Chargor shall not, during the continuance of the Charge, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Chargee;
- (vi) the Chargor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Chargee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Charge remain outstanding;
- (vii) any breach or default under the Lease shall be deemed to be a default under the Charge entitling the Chargee to demand repayment of all amounts then secured by the Charge;
- (viii) if the Chargor becomes the owner of the freehold of the lands and premises demised by the Lease the Charge shall increase to be a charge of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Chargor had been the owner of the freehold, free from encumbrances, at the date the Charge took effect. To give effect to the foregoing the Chargor does hereby grant and mortgage the freehold interest in the Charged Premises unto the Chargee, such grant to take effect upon the Chargor acquiring freehold title to the said Charged Premises. The Chargor covenants and agrees to execute and deliver, in the case of a Form 2 Charge or, in the case of an ERS Charge, authorize the delivery for registration, at the Chargor's expense, forthwith on demand therefor, such further and other documents as the Chargee may reasonably require for the purpose of validly giving

effect to the foregoing;

(ix) the Chargor shall immediately notify the Chargee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;

(e) any reference in the Charge to any charges payable in respect of the Charged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Chargor under the Lease and if any amounts are paid by the Chargee in respect of amounts owing under the Lease such amounts shall be a charge against the Charged Premises, shall bear interest at the Charge Rate and shall be secured by the Charge;

(f) in the event of any default in any payment of rent or other monies due under the Lease or in performance or observance of any covenant, agreement, condition or proviso contained in the Lease the Chargee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Chargee in so doing shall be payable forthwith by the Chargor to the Chargee, shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge;

(g) the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to enforce any covenants of the tenant under the Lease and to exercise any options to renew the Lease in the Chargee's discretion.

14. EXPROPRIATION

It is agreed between the parties to the Charge that if all of the Charged Premises is expropriated, then the outstanding Principal Amount together with all interest thereon under the Charge shall become immediately due and payable. If only part of the Charged Premises is expropriated, then the amount awarded to the Chargor for the partial expropriation shall be paid to the Chargee and credited to the Principal Amount and any interest then outstanding. If, in the opinion of the Chargee, the remainder of the Charged Premises, after the partial expropriation, does not constitute adequate security for the Principal Amount then outstanding, then the Principal Amount or such part thereof as the Chargee may determine shall immediately become due and payable together with all interest thereon.

15. RELEASE

The Chargor by these presents does release, remise, and forever quits claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto and out of the Charged Premises and every part thereof, so that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof in any manner howsoever, subject always to the proviso for defeasance.

16. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof as required by the Charge or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, R.S.O., 1990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Charge or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its willful neglect or default. In the event that the giving of such notice shall not be required by law, or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address, and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for any loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person damnified by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the Charged Premises, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee contained in the Charge or existing at law by virtue thereof.

And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, conveyances or leases, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the request, cost and expense of the Chargor transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge that, notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

17. DISTRESS

It is further agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

18. PRINCIPAL DUE ON DEFAULT

It is hereby further expressly declared and agreed, that if any default shall occur in the payment of interest secured by the Charge, or any part thereof, or in payment of any installment of principal as the same matures or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the liabilities secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time mentioned for payment of the Charge had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the Principal Amount and shall not be therefore debarred from asserting and exercising its right to call in the Principal Amount upon the happening of any future default or breach.

19. CHARGORS QUIET POSSESSION UNTIL DEFAULT

It is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

20. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties that the building or buildings erected or to be erected on the

Charged Premises form part of the security for the full amount secured by the Charge; and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee in its sole discretion may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge, in the case of a Form 2 Charge or delivery for registration in the case of an ERS Charge, or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount or any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall, in the case of a Form 2 Charge, take effect forthwith upon the execution of the Charge by the Chargor or, in the case of an ERS Charge, upon the delivery for registration of the Charge and the expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the Principal Amount not being advanced, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in default the said Chargee's power of sale given by the Charge, and all other remedies under the Charge or at law shall be exercisable.

21. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise now on or after the date of the Charge put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

22. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the amounts secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any amounts except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the amounts secured by the Charge.

23. DEFAULT IN PRIOR CHARGES

It is agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or encumbrance to which the Charge is subject or subordinate, then and in that event the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided.

24. DEFAULT IN COLLATERAL AGREEMENTS

It is agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in or arising from any agreement, instrument, certificate or otherwise or dealings between the Chargee and the Chargor, then and in that event, the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided, and vice versa.

25. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against title to the Charged Premises the Chargee shall have the right, but not the obligation, to pay such amounts as may be required to remove such lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all costs, charges, and expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commission, as between a solicitor and his or her client, shall be added to the principal amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

26. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

27. INSPECTION

The Chargee through itself or its agent or employees may, at any time, enter upon the Charged Premises to inspect the Charged Premises and the reasonable cost of such inspection shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

28. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

29. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant nor affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgment shall have been fully paid and satisfied.

30. RIGHTS ON DEFAULT

The Chargor covenants and agrees with the Chargee that in the event of default in the payment of any installment of principal, interest or taxes secured by the Charge or any other amounts payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement in the Charge after all or any part of the amounts secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the Charged Premises and shall bear interest at the Charge Rate until paid.

31. OBLIGATIONS SURVIVE SALE

Provided that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the amounts secured by the Charge.

32. DUE ON SALE

Provided that in the event of

(a) the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises to a purchaser, grantee or transferee not approved in writing by the Chargee; or

(b) if such a purchaser, grantee or transferee should fail to (a) apply for and receive the Chargee's written approval as aforesaid, (b) personally assume all the obligations of the Chargor under the Charge, and (c) execute an assumption agreement in the form required by the Chargee,

then, at the option of the Chargee, all amounts secured by the Charge with accrued interest thereon shall forthwith become due and payable.

33. PORTABILITY OPTION

If the Chargor is not in default under the Charge, and has entered into an agreement to sell or transfer the title to the Charged Premises, the Chargor may either exercise the portability option described in this section, or alternatively, the purchaser or transferee of the Charged Premises may exercise the assumption option described in section 32 above, but both options may not be exercised contemporaneously.

If, within 90 days following completion of the sale or transfer of the title to the Charged Premises, the Chargor completes the purchase of a residential property (the "New Property"), the Chargee will, on written application by the Chargor, but subject to paragraph (f) below, provide financing for the purchase of the New Property on the security of a charge to be registered against title to the New Property (the "New Charge"), in the following manner:

(a) if the amount to be advanced under the New Charge (the "New Charge Amount") is the same as the portion of the Principal Amount then outstanding under the Charge, the interest rate applicable to the New Charge Amount for the period of time remaining in the term of the Charge will be the Charge Rate;

(b) if the New Charge Amount is less than the portion of the Principal Amount then outstanding under the Charge, the Charge Rate will apply to the New Charge Amount for the period of time remaining in the term of the Charge, and the Chargor must pay to the Chargee upon the date of the completion of the sale or transfer of the Charged Premises, the amount by which the portion of the Principal Amount then outstanding under the Charge exceeds the New Charge Amount and any such prepayment will be subject to the prepayment provisions applicable under the Charge;

(c) if the New Charge Amount exceeds the portion of the Principal Amount then outstanding under the Charge, the New Charge will secure the aggregate of the portion of the Principal Amount then outstanding under the Charge and the additional principal amount advanced under the New Charge at a rate of interest that blends the Charge Rate and the rate the Chargee offers at that time for mortgages with terms similar to the time remaining in the term of the Charge. The term of the New Charge will be for a period equivalent to the time remaining in the term of the Charge. If the Charge is a Rate Cap Mortgage, the additional principal amount must be secured by a new second-ranking mortgage registered on title to the New Property for a term equivalent to the time remaining in the term of the Charge;

(d) on the date of completion of the sale or transfer of the Charged Premises, any prepayment of the Charge from the proceeds of sale will be subject to the prepayment provisions applicable under the Charge. However, provided the New Charge is advanced within a 90 day period following prepayment of the Charge, the Chargee will, subject to paragraph (b) above, refund to the Chargor the amount, if any, of bonus interest paid in respect of such prepayment;

(e) the term of the New Charge will commence on the date that it is advanced and will terminate on the same date as the Charge would have otherwise terminated; and

(f) the Chargee's mortgage approval criteria, policies, procedures and documentation in effect at the time the Chargor makes his/her/its application for the New Charge will apply to the application and the New Charge and the Chargor will be responsible for paying all applicable processing or administration fees, all legal and property valuation fees and all other expenses incurred by the Charge in connection with the New Charge.

34. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or after the date of the Charge existing, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, any construction lien or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with the Charge or to realize the security of the Charge, or to defend the validity or priority of the Charge as against a third party, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other amounts paid the Charge by the Chargee shall be added to the amount secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in Section 16 and shall entitle the Chargee to exercise the power of sale and all other remedies given under the Charge. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the amounts advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

35. SUBSEQUENT ENCUMBRANCES

The Chargor covenants and agrees with the Chargee that, for the duration of the Charge, the Chargor shall not make or permit to be made any registration on title to the Charged Premises subsequent to the Charge that could reasonably be considered to constitute an encumbrance, lien, mortgage, charge or security interest, without the prior written consent of the Chargee.

36. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Homes Warranties Plan Act*, R.S.O. 1990, c.0.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the amounts secured by the Charge and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

37. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) the Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant and further covenants and agrees not to permit the Renting of the Charged Premises without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) the Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the Mortgages Act;

(c) in the event that any of the covenants contained in this section shall be breached then, at the option of the Chargee, all monies secured by the Charge with accrued interest thereon shall forthwith become due and payable;

(d) if the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on the Charge and the amount so paid shall be added to the amount secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

(e) in this section, "Tenant" shall have the meaning set out in Section 1 of the Tenant Protection Act, S.O., 1997, ch.24, as maybe amended from time to time.

38. COVENANTOR OR GUARANTOR

If a party is named as a covenantor or guarantor in the Charge or a schedule thereto (the "Covenantor"), the Chargor and the Covenantor acknowledge that it is a condition of the making of advances under the Charge that the covenant contained in this section 38 be entered into by the Covenantor. The Covenantor further acknowledges that the consideration for the guarantee contained in this Section 37 is the making of advances under the Charge.

The Covenantor on behalf of himself, his executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the Principal Amount does hereby covenant, promise and agree as principal debtor and not as surety to and with the Chargee that the Covenantor will well and truly pay, or cause to be paid unto the Chargee the Principal Amount and all other amounts secured by the Charge, together with interest upon the same, at the days and times, and in the manner agreed to in the Charge or any amendments, renewals, variations or extensions thereof and shall and will in everything, well and truly do, observe, fulfill and keep any and all covenants, provisos, conditions, agreements and stipulations in the Charge according to the true intent and meaning thereof, and shall and will abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge on the part of the Chargor, and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon, and if there are more than one Covenantor shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantor.

Each Covenantor further covenants and agrees that without giving notice to or obtaining the consent or concurrence of any guarantor, the Chargee may:

(a) grant any time, indulgences, waivers or extensions of time for payment or performance of any of the obligations under the Charge;

(b) grant any renewals or extensions of the Charge, with or without a change in the rate of interest or in any other terms or conditions of the Charge and whether by express agreement signed by the Chargor or otherwise (including, without limitation, by way of an automatic renewal or extension);

(c) change Charge Rate, whether during the initial term thereof or in any subsequent extension or renewal term, whether by way of increase, decrease, change in the reference rate by which such Charge Rate is calculated or determined, change from a Fixed Rate Mortgage to a Variable Rate Mortgage or from a Variable Rate Mortgage to a Fixed Rate Mortgage, or otherwise;

(d) shorten or lengthen the amortization period of the Charge;

(e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of the Charge in any manner whatever;

(f) release or discharge from the mortgage or charge constituted by the Charge the whole or any part of the Charged Premises;

(g) advance additional Principal Amounts to the Chargor pursuant to any provision of the Charge that permits the Chargor to borrow such additional Principal Amounts from the Chargee;

(h) permit the Chargor to prepay the Principal Amount in whole or in part or to skip one or more schedules instalments of principal and interest or to pay more than one such schedules instalment on a scheduled payment date under the Charge, whether pursuant to a provision of the Charge that permits such prepayment, skipping or multiple payments or otherwise;

(i) accept compositions, compromises or proposals from the Chargor or otherwise deal with the Chargor or any other person, any security (including, without limitation, the Charge) or the Charged Premises or any security as the Chargee sees fit including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Charge;

(j) release or discharge any Covenantor or one or more other co-covenantors or guarantors or Chargors in respect of the Charge; or

(k) release any subsequent legal or beneficial owner of the Charged Premises from any liability for the obligations under the Charge or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Covenantor hereunder, regardless of whether any such action has the effect of amending or varying this Charge or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the liabilities and obligations thereunder. The liability of each Covenantor hereunder shall extend to and include the liabilities and obligations of the Chargor under the Charge, as so amended, renewed, extended or varied and the Charge as so increased, expanded or altered without further action on the part of the Chargee or the consent or concurrence of any Covenantor; and for greater certainty and without limiting the foregoing, if the Charge Rate is increased or otherwise altered, the liability of each Covenantor hereunder shall be extended to and include the obligation of the Chargor to pay interest at such increased or altered Charge Rate.

39. EXTENSIONS

No extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor, the Covenantor or any other person liable for the payment of the monies secured by the Charge.

40. BONUS ON DEFAULT

On default of payment of any of the amounts secured by the Charge or payable under the Charge, the Chargee shall be entitled to require payment, in addition to all other amounts secured by the Charge or payable under the Charge, of a bonus equal to three months' interest in advance at the Charge Rate upon the principal amount secured by the Charge at such time, and the Chargor shall not be entitled to require a discharge of the Charge without such payment or notice in lieu thereof as required by law.

41. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge within which to prepare, execute and deliver in the case of a Form 2 Charge or prepare and deliver for registration in the case of an ERS Charge, as the case may be, a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation, execution and registration, as applicable of such discharge and assignment shall be borne by the Chargor.

42. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon the Charge or any other such security.

43. PLACE OF PAYMENT

Provided that all such payments secured by the Charge shall be made at the branch of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

44. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

45. FAMILY LAW ACT

The Chargor covenants and agrees that

(a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act,* R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, and

(b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in paragraph 45(a) as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act,* R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in the Chargor's possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse,

and on default, then all amounts secured by the Charge, together with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable.

46. SEVERABILITY

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

47. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default under the Charge; and no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

48. FARMLANDS

If the Charged Premises are farm lands, the Chargor will in each year during the term either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may after the date of the Charge be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

49. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

(a) the Chargor fails to supply to Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or

(b) without the written consent of the Chargee first had and obtained,

- (i) the Chargor issues or redeems any of its shares or transfers any of its shares,
- (ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or
- (iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale given by the Charge and all other remedies for enforcement shall be exercisable.

50. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

(a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;

(b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;

(c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and

(d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Charger hereby covenants and agrees with the Chargee as follows:

(e) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and

(d) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agree with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and pay immediately when due the cost of removal of such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all of the foregoing at their own expense.

51. CONDOMINIUMS

If the Charge is of a unit within a plan of condominium the following provisions shall apply:

(a) the Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws and the rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge

(b) without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as the owner of the Charged Premises and in the event of the Chargor's default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

(c) the Chargor by the Charge irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

(i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.

(ii) the Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.

(iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.

52. RENEWAL OR EXTENSION

Provided that the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor. The Chargor and the Covenantor, if applicable, agree that in the event that the renewal agreement provided to the Chargor is not signed and returned to the Chargee on or before the maturity date, the Charge, at the Chargee's option, will be automatically renewed on the terms set out in the renewal agreement.

53. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another instead of such receiver, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, hut no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(a) every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revocable by the Chargor) to:

(i) collect the rents and profits from tenancies whether created before or after the Charge;

(ii) rent any portion of the Charged Premises which maybe or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;

(iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and

(iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

(b) the Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.

(c) the Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.

(d) every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.

(e) the appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises.

(f) no such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

(i) the receiver's remuneration aforesaid;

(ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;

(iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;

(iv) to the Chargee all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;

(v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate.

(g) save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

(h) the Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(i) the statutory declaration of an officer of the Chargee as to default under the provisions of this Charge and as to the due appointment of the receiver pursuant to these terms shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers in the Charge provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(j) the rights and powers conferred in and by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

54. CHARGEE EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any amount payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises.

55. FURTHER ASSURANCES

The Chargor shall at any time and from time to time make, execute and deliver or cause to be made, executed and delivered to the Chargee, such further and other reasonable acts, deeds, conveyances and assurances as may be required by the Chargee to fully and effectually carry out the true intention and meaning of the Charge and the provisions included in the Charge, and the reasonable costs thereof shall be for the account of the Chargor. Further, the Chargor shall at any time and from time to time provide to the Chargee, upon request, and in a form acceptable to the Chargee, such further information and documentation as the Chargee may require regarding the Chargor's business and/or financial status.

56. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor contained in the Charge or implied are and are to be construed as both joint and several.

57. CONFLICT

In the event of any conflict or inconsistency between the terms and provisions of these standard charge terms and the terms and provisions of the registered Charge or any commitment letter issued by the Chargee and accepted by the Chargor (the "Commitment"), the terms and provisions of the registered Charge and Commitment shall prevail.

58. ASSIGNMENT AND SYNDICATION

The Chargee shall, at any and all times and from time to time, have the right to assign all or any part of its right, title and interest in and to the Charge to another financial institution or institutions (individually and collectively, the "Assignee") without the necessity of obtaining the consent of or providing notice to the Chargor. The Chargor hereby acknowledges that the Chargee has the unfettered right to syndicate the Chargor's loan to the Assignee and also acknowledges and consents to the Chargee sharing with the Assignee such information concerning the Chargor's financial position and other personal information as the Chargee may possess in its files.

59. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

60. DATE OF CHARGE

The Charge shall be deemed to be dated, if the Charge is an ERS Charge, as of the date of delivery for registration of the ERS Charge and, if the Charge is a Form 2 Charge, as of the date of signature of the first named Chargor unless, in either case, as otherwise specifically provided.

61. EFFECT OF DELIVERY OF ERS CHARGE

The delivery of an ERS Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the ERS Charge was in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the ERS Charge for registration to do so.

DATED the 9th day of October, 2002.

HEARTLAND COMMUNITY CREDIT UNION
LIMITED
by their solicitors
Harrison Pensa LLP

Per: ______________________
Christian James Hamber

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200226 Cote

CIBC
COMMERCIAL MORTGAGES

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200227 Cote
Filing Date Oct. 22, 2002 Date de Dépôt
Page 1 of/de Fourteen (14) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS
Industrial/Commercial/Investment Loans

Filed by: CIBC Mortgages Inc.
Filing No.: 200227
Filing Date: October 22, 2002.

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in the Schedule if any.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, c.L.4,* (as amended or replaced);

Balance Due Date means the balance due date set out in the Registered Document;

Charge, when used as a noun, means a Charge/Mortgage of Land, any Schedules attached to it, and this set of standard charge terms;

Chargor means each person who signs the Charge as chargor;

Condominium Act means the *Condominium Act*, S.O. 1998, c.19 (as amended or replaced);

Condominium Corporation means the corporation created by the registration under the *Condominium Act* of a Declaration in respect of the Property;

CMHC means Canada Mortgage and Housing Corporation;

Costs means all amounts (other than the Principal Amount and interest) that the Chargor must pay under this Charge;

Declaration means the declaration (as amended or replaced from time to time) which, together with a description, was registered under the *Condominium Act* to create the Condominium Corporation;

Event of Default means any of the events or circumstances listed in paragraph 28;

First Payment Date means the first payment date specified in the Registered Document;

Fixtures means (i) all fixtures and growing things in, on, under or in relation to the Property and (ii) all real or personal property whatsoever (whether affixed, mobile or stationary) which is now or later attached to or placed, installed or erected in, on or under the Property, including without limitation: all structures, additions, improvements, fences, plant, machinery, motors, furnaces, boilers, pressure vessels, oil and gas burners, stokers, blowers, water heaters, tanks, electric light fixtures, sprinklers, gas pipes, wiring, radiators, shutters, awnings, fixed mirrors, window blinds, wall-to-wall floor coverings, screen and storm doors and windows, aerials, television antennae, satellite dishes, refrigerators, stoves, air conditioning, ventilating, plumbing, electrical, lighting, cooling, heating, cooking and refrigeration equipment, computers, telecommunications systems, security systems, elevators, central vacuum systems, and all apparatus and equipment appurtenant to the Property;

Guarantor means each party who signs the Charge as guarantor, and their heirs, executors, administrators, trustees, successors and assigns;

GEMI means GE Capital Mortgage Insurance Company (Canada);

Indebtedness means the total of (i) the Principal Amount, (ii) interest on the Principal Amount at the Interest Rate, (iii) interest on unpaid interest and unpaid Costs at the Interest Rate, and (iv) Costs;

Interest Adjustment Date means the interest adjustment date set out in the Registered Document;

Interest Rate has the meaning specified in paragraph 4 if this is a fixed rate charge, and in paragraph 5 if this is a variable rate charge;

Lease means, in respect of any part of the Property in which the Chargor has a leasehold interest, the lease under which such leasehold interest is created and any lease with respect to all or any part of the Property which may be entered into in replacement or renewal of such lease, as any of the foregoing may be amended from time to time;

Lender means CIBC Mortgages Inc., as chargee;

Lien means any mortgage, charge, lien, assignment, security interest, execution, attachment or other encumbrance (whether given by statute or otherwise);

Obligor means any Chargor or Guarantor, and if no party signs the Charge as Guarantor, "Obligor" means any Chargor;

Paragraph refers to a numbered paragraph in this set of standard charge terms;

Payment Date means the day of the month set out in the Registered Document;

Prime Rate means the variable reference rate of interest per year declared by the Canadian Imperial Bank of Commerce from time to time to be the Canadian Imperial Bank of Commerce's prime rate for Canadian dollar commercial loans made in Canada;

Principal Amount means the amount set out in the Registered Document;

Property means the land described in the Registered Document, as well as all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the Property is a condominium unit, Property includes the common elements and any other interest that the Chargor may have in the assets of the Condominium Corporation, and references to the "Property" mean all or any part of it;

Registered Document means for the non-electronic paper based registration system, the Form 2 Charge/ Mortgage of Land that the Chargor signs to give this Charge, and any Schedules attached to it, or, for the electronic registration system, the Charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act; and

Schedule means any schedule attached to the Charge/Mortgage of Land.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants deemed to be included in a charge by the Act are excluded from the Charge.

3. SECURITY

The Chargor:

(a) if the Chargor has a freehold interest in the Property, charges the Property and the Chargor's present and future interest in the Property to the Lender; or

(b) if the Chargor has a leasehold interest in the Property, charges and subleases the Property and the Chargor's present and future interest in the Property to the Lender for and during the unexpired residue of the term of each Lease, except the last day thereof, and all other estate, term, right of renewal and other interest of the Chargor in each Lease;

to secure payment of the Indebtedness and performance of the Chargor's other obligations under the Charge.

4. FIXED INTEREST RATE (Applicable only to fixed rate charges)

The Interest Rate payable by the Chargor is specified in the Registered Document and is calculated semi-annually not in advance. The first semi-annual calculation of interest after the Interest Adjustment Date will be for the six month period commencing on that date. The calculation will be made six months after the Interest Adjustment Date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the Indebtedness at this rate both before and after the Balance Due Date, default and judgment, until the Indebtedness has been paid in full.

5. VARIABLE INTEREST RATE (Applicable only to variable rate charges)

(a) **Interest Rate**
The Interest Rate payable by the Chargor specified in the Registered Document is a variable rate per annum equal to the Prime Rate for commercial loans plus a certain number of percentage points per annum specified in the Registered Document. The Interest Rate will vary each time there is a change in the Prime Rate for commercial loans, without any notice to the Chargor. At any particular time, the Interest Rate chargeable under the Charge is called the "current rate". Interest is payable monthly, calculated monthly not in advance and is payable on the Indebtedness both before and after the Balance Due Date default and judgment, until the Indebtedness has been paid in full.

Paragraph 45 shows equivalent interest rates calculated semi-annually not in advance for current rates calculated monthly not in advance.

(b) **How to Determine the Interest Rate**
The Prime Rate and the current rate payable on the Indebtedness remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the Prime Rate, the Lender may mail to the Chargor, at the Chargor's last known address according to the Lender's records, a notice of the changed Prime Rate, its effective date, the current rate and its equivalent, calculated semi-annually not in advance. The Interest Rate will still vary under paragraph 5(a) even if the Lender fails to send the Chargor such a notice or the Chargor fails to receive it. The Prime Rate in effect at any time is available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) **Deferred Interest**
The amount of interest that has accumulated on the Indebtedness from one regular payment to the next which exceeds the regular payment is called "deferred interest". Interest at the current rate will be charged on the deferred interest from and including such Payment Date. On the next Payment Date, all interest which has accumulated on deferred interest from the previous Payment Date shall be added to and become deferred interest and will itself bear interest from and including the Payment Date at the current rate. The amount of deferred interest outstanding from time to time may be obtained by contacting the Lender.

6. COMPOUND INTEREST

If the Chargor does not make the regular payment or other payment when required by the Charge, the Lender will charge interest, at the rate provided for in the Charge (called "compound interest") both before and after the Balance Due Date set out in the Registered Document, default and judgment on all overdue amounts (including interest). This additional interest must be paid by the Chargor immediately when the Lender requires, both before and after the Balance Due Date, default and judgment.

7. PAYMENT

The Chargor agrees:

(a) to pay the Indebtedness to the Lender at its head office in Toronto or any other place designated by the Lender from time to time;

(b) to pay the Lender interest at the Interest Rate on the amounts of the Principal Amount from time to time advanced, computed from the respective dates of such advances, which payments shall be made on the Payment Date in the month next following the month in which the first such advance is made and on the Payment Date in each and every month thereafter to and including the Interest Adjustment Date;

(c) to pay the Lender the Principal Amount, together with interest thereon at the Interest Rate computed from the Interest Adjustment Date, in equal monthly instalments, each being in the amount specified in Registered Document which payments shall be made on the First Payment Date and on the Payment Date in each and every month thereafter to and including the Last Payment Date; and

(d) to pay the Lender, on the Balance Due Date, the then balance of the Indebtedness.

8. APPLICATION OF PAYMENTS

Except as otherwise agreed in writing, payments or other moneys received by the Lender may be applied by it on any part of the indebtedness determined by it from time to time, notwithstanding any contrary stipulation by the Chargor.

The Lender may from time to time revoke or alter any such application and reapply the amount in question on any other part of the Indebtedness determined by it.

9. PRE-AUTHORIZED CHEQUING

The Chargor agrees to execute any documents necessary to permit the Lender to deduct payments directly from the Chargor's bank account and it is hereby agreed that this covenant forms a material consideration in the granting of this Charge. The Lender will be entitled to require the Chargor to pay the Lender a minimum processing fee of $100.00 for each NSF cheque issued by the Chargor.

10. PREPAYMENT

(a) **Applicable only to fixed rate charges:**
The Chargor has no prepayment rights.

(b) **Applicable only to variable rate charges:**
The Chargor may, if not in default, prepay on any Payment Date up to 20% of the Principal Amount annually without notice or penalty. This privilege shall be non-cumulative.

Except for the above noted non-cumulative prepayment privilege, this loan is closed for the term.

11. CONVERSION (Applicable only to variable rate charges)

The Chargor may, if not in default, convert to a fixed rate of interest at any time for a term then to be established and at a rate of interest to be determined by adding a spread to the yield on the bid side Government of Canada Cash Bond for the relevant term, both as determined by the Lender in its sole discretion, subject to the ongoing maintenance of an acceptable debt service coverage and further subject to the Chargor signing an amending agreement in a form acceptable to the Lender, in its sole discretion, which among other terms, shall confirm the amended rate and term and shall confirm that upon conversion, the Chargor shall have no right to prepay any amount owing under the Mortgage as amended and payment to the Lender of the Lender's current conversion fee. All legal fees incurred will be the responsibility of the Chargor.

12. DESIGNATED AMOUNT (Applicable only to variable rate charges)

If the aggregate of (a) the Indebtedness (which for greater certainty includes deferred interest); and (b) any money owing on any charge ranking prior to or equal to the Charge exceeds the designated amount specified in the Registered Document (the "Designated Amount"), all money payable under the Charge shall, at the option of the Lender, become immediately due and payable. With the written consent of the Lender, the Chargor may increase the amount of the monthly payments in order to prevent the aggregate amount above from exceeding the Designated Amount.

13. ADVANCES

If the Lender decides, for any reason, not to advance all or any part of the Principal Amount, it shall not be required to do so whether or not the Charge has been signed and registered and whether or not any part of the Principal Amount has been previously advanced. Whether or not any part of the Principal Amount is advanced, the Chargor shall immediately pay the Lender all of the Lender's costs, including lawyers' fees (on a solicitor and his own client basis), and expenses for investigating title to the Property and for preparing, signing and registering the Charge and any other related instruments.

14. RENEWING OR AMENDING CHARGE

The Charge (or any agreement referred to in this paragraph) may from time to time be renewed or amended by one or more written agreements with the Chargor, or with any successor or successors in title to the Chargor, with or without any increase or decrease in the Interest Rate or extension of time for payment. Whether or not there are any other instruments registered on title to the Property after the Charge at the time any such written agreement is entered into, it will not be necessary for the Lender to register the written agreement on title to the Property in order to retain priority for the Charge as renewed or amended, over any other instrument registered after the Charge. The Chargor acknowledges that the provisions of this paragraph shall not confer any right of renewal upon the Chargor.

15. ADDITIONAL SECURITY, JUDGMENTS

The Charge is in addition to and not in substitution for any other security now or later held by the Lender for all or any part of the Indebtedness. The Chargor agrees that the Charge shall not create any merger or discharge of any part of the Indebtedness or any other debt owing to the Lender or of any Lien, bond, promissory note, bill of exchange or other security now or later held by the Lender (whether from the Chargor or any other person). The Chargor further agrees that the Charge shall not in any way affect any other security now or later held by the Lender for all or any part of the Indebtedness or the liability of any endorser or any other person, or any of the Lender's remedies, in respect of any such Lien, bond, bill of exchange, promissory note or other security, or any renewal thereof, held by the Lender for or on account of all or any part of the Indebtedness.

In addition to any other security granted by the Chargor to the Lender in connection with the Charge, the Chargor hereby grants to the Lender a security interest in any and all personal property, including but not limited to, equipment, inventory, and fixtures owned by the Chargor and located on the property.

The taking of a judgment or judgments against the Chargor in respect of any of the agreements or obligations contained in the Charge, or in respect of all or any part of the Indebtedness, or otherwise, shall not operate as a merger of such agreements or obligations or all or any part of the Indebtedness, or operate as a merger of or in any other way affect the security created by the Charge or any other security or the Lender's right to pursue the Lender's other remedies or to enforce the Chargor's other obligations (whether hereunder or otherwise) or the Lender's right to interest on the Indebtedness at the Interest Rate. Any such judgment may provide that interest thereon shall be computed at the Interest Rate until such judgment is fully paid and satisfied.

16. DELAY, RELEASES, PARTIAL DISCHARGES, WAIVERS AND AMENDMENTS

The Lender may increase, reduce, discontinue or otherwise vary the Chargor's credit arrangements, grant extensions of time or other indulgences, take and give up securities, abstain from taking, perfecting or registering securities, accept compositions and proposals, grant releases and discharges and otherwise deal with the Chargor and other persons (including without limitation any person to whom all or any part of the Property is transferred) and with any securities as the Lender may see fit without affecting any of the Lender's rights or remedies (hereunder or otherwise), the Chargor's liability under the Charge or the Chargor's liability to pay the Indebtedness. The Lender may delay enforcing any of its rights under the Charge or any other document relating to the Indebtedness without losing or impairing those rights and may waive any breach of the Chargor's obligations under the Charge or any such document without affecting the Lender's rights in respect of any other existing breach or any subsequent breach of the same or a different nature. No such waiver shall be effective unless made in writing and signed by an officer of the Lender. The Lender may release others from any liability to pay all or any part of the Indebtedness without releasing the Chargor. The Lender may release its interest under the Charge in all or any part of the Property or any Lease (or any other collateral) whether or not the Lender receives any value, and shall be accountable to the Chargor only for moneys which the Lender actually receives. If the Lender releases its interest in part of the Property, the remainder of the Property shall continue to secure the Indebtedness in an amount not exceeding the Indebtedness and the Chargor's obligations under the Charge will continue unchanged. No sale or other dealing with all or any part of the Property or any Lease, and no amendment of the Charge or any other security, agreement or instrument, and no amendment relating to the Indebtedness, will in any way affect the obligation of the Chargor or any other person to pay the Indebtedness.

17. SALE OR LEASE

If the Chargor sells, transfers, leases or otherwise disposes of all or any part of the Property or any Lease or any interest in any of the foregoing, or agrees to do so, without the Lender's prior written approval, the Indebtedness shall forthwith become due and payable at the Lender's option. Acceptance by the Lender of any payments from such purchaser or transferee not approved in writing by the Lender shall not constitute approval or waiver under this paragraph.

18. REPRESENTATIONS, WARRANTIES AND AGREEMENTS RESPECTING THE PROPERTY

(a) The Chargor represents, warrants and agrees with the Lender that:

(i) unless the Chargor is the lawful tenant or lessee of the Property, the Chargor is the lawful owner of the Property and has a good and marketable title in fee simple free of any Liens or claims except any the Chargor has reported to the Lender in writing which the Lender has accepted in writing;

(ii) the Chargor has the right to execute and deliver the Charge and to charge the Property and the Chargor's interest in it to the Lender in accordance with the terms hereof;

(iii) the Chargor has not done, omitted or permitted anything whereby the Property or any Lease or the Chargor's interest in it or any part of it is or may be subject to any Lien or claim except any the Chargor has reported to the Lender in writing which the Lender has accepted in writing;

(iv) there are no limitations affecting title to the Chargor's interest in the Property, except any the Chargor has reported to the Lender in writing and except for building and zoning by-laws which have been and will continue to be complied with or with respect to which the Property is a legal non-conforming use;

(v) the Chargor shall, from time to time, sign any document and take any further action at the Chargor's expense as the Lender may think necessary in order to carry out the intention of the Charge;

(vi) no part of the Property is, has ever been or will in the future be insulated with urea formaldehyde foam insulation;

(vii) The Chargor agrees to manage the Property at all times in a sound, prudent and business-like manner;

(viii) The Chargor shall promptly observe, perform and execute and comply with:

(a) all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority or agency concerning the Property including, but not limited to, any rent control legislation in effect from time to time that may related to any buildings on the property, and

(b) all private covenants and restrictions affecting the Property.

The Chargor further agrees at its own cost and expense to make any and all repairs, alterations and improvements ordinary or extraordinary, which may be required at any time hereafter by any such present or future law, rule, requirement, order, direction, ordinance, regulation, covenant or restriction.

(ix) on default under the Charge, the Lender shall have quiet possession of the Property free from all Liens and claims, except any referred to herein which have been reported to the Lender in writing which the Lender has accepted in writing; and

(x) all obligations owed by the Chargor to Revenue Canada on account of GST and source deductions required to be withheld by employers pursuant to the *Income Tax Act*, the *Employment Insurance Act*, the *Excise Tax Act*, and any other applicable legislation (the "obligations") are up to date and have been paid in full. Where more than one advance is anticipated, the Chargor further represents, warrants and agrees to provide satisfactory evidence to the Lender, prior to each advance, that any such obligations are up to date and have been paid in full.

(b) If the Chargor is a tenant or lessee of the Property, the Chargor also represents, warrants and agrees with the Lender that:

- (i) the Chargor is the lawful tenant or lessee of the Property and has a good and marketable leasehold title to the Property, free of any Liens or claims, except any the Chargor has reported to the Lender in writing which the Lender has accepted in writing;
- (ii) the Property is leased to the Chargor under a good, valid and subsisting Lease (a complete copy of which the Chargor has given to the Lender);
- (iii) all rents and moneys payable under each Lease have been paid and the Chargor has not defaulted in respect of any of the Chargor's other obligations set out in such Lease, in both cases up to the date the Chargor signed the Charge;
- (iv) the Chargor has obtained the consent of the Chargor's landlord or lessor, or the Chargor has the right without such consent, to charge and sublet the Chargor's leasehold interest in the Property to the Lender in the manner provided in the Charge;
- (v) the Chargor shall pay rent and all other amounts, and perform and observe all other obligations of the lessee or tenant, all as required by each Lease, in default of which the Lender may (but shall not be obligated to) make any such payments or perform or observe any such obligations, and the Chargor shall immediately pay the Lender the amount of any payments made or costs and expenses incurred by the Lender in so doing;
- (vi) the Chargor shall not surrender the Lease or cause or allow it to be terminated or forfeited;
- (vii) the Chargor shall not agree to any amendment of any Lease without first obtaining the Lender's written consent;
- (viii) the Chargor shall promptly give the Lender a copy of any notice, demand or request which the Chargor may receive relating to any Lease or the Property; and
- (ix) the Chargor shall stand possessed of the Property for the last day of the term or of any renewal term granted by each Lease in trust for the Lender and will assign and sell it as the Lender may direct, but subject to the Chargor's rights herein.

19. ENVIRONMENTAL

The Chargor hereby represents, warrants, covenants and agrees with the Lender (which representations, warranties, covenants, and agreements shall survive satisfaction or release of this Charge debt or extinguishment of this Charge debt that in the event the Lender or its nominee becomes owner of the Property upon default of the Chargor) that:

- (a) to the best of the knowledge of the Chargor, after due and diligent inquiry, no part of the Property or any adjoining land has ever been used to manufacture, refine, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all Environmental Laws and Regulations. Hazardous Substance is defined as and includes all substances, liquid, gaseous or solid matter, waste, fuel, micro-organism, sound, vibration, heat, odour, radiation, energy vector, plasma, organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws and Regulations.
- (b) any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements.
- (c) the Property will not be used for the principal purpose of storing or using any Hazardous Substance except in accordance with Environmental Laws and Regulations and no use of the Property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property or permit any policy of insurance in respect to the Property to be cancelled.
- (d) the Chargor shall promptly notify the Lender as soon as it knows of or suspects that any Hazardous Substance has been brought onto the Property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from, or under the Property.
- (e) the Chargor will indemnify and hold harmless each of the Lender and the Canadian Imperial Bank of Commerce ("CIBC") and their directors, officers, employees and agents in respect of any costs, losses, damages, expenses, judgements, suits, claims, awards, fines, sanctions and liabilities whatsoever (including costs or expenses of defending or denying the same and including the costs or expenses for preparing any necessary environmental assessment report or other such reports) arising out of, or in respect of (i) any release, deposit, discharge, or disposal of any hazardous or toxic materials, contaminants, wastes or other substance in connection with the Chargor's Property or business, and (ii) the remedial action (if any) taken by the Lender and CIBC in respect of any such release, deposit, discharge or disposal. For greater certainty, this indemnity shall survive the repayment or cancellation of this Charge.

The Chargor agrees that the Lender or agent of the Lender may, at any time, before and after default and for any purpose deemed necessary by the Lender, enter upon the Property to inspect the Property and the buildings thereon. Without in any way limiting the generality of the foregoing, the Lender or agent of the Lender may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Lender and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Charge rate, shall be payable by the Chargor forthwith and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Lender or agent of the Lender to be in possession, management or control of the Property and the buildings thereon.

20. INSURANCE

(a) The Chargor will, in accordance with the provisions of this paragraph, insure and keep insured for their full insurable value all buildings and Fixtures now or later forming part of the Property, and all present and future crops and other produce of the land forming part of the Property. The risks so insured against shall include loss or damage by or from fire (with extended perils coverage), explosion, tempest, lightning, earthquakes, floods, and other perils usually covered in fire insurance policies and such additional risks as the Lender may from time to time require, including without limitation, loss of rental and other income and comprehensive public liability insurance, in each case in amounts satisfactory to the Lender.

(b) The Chargor, during such time or times as there is construction of any buildings or other improvements on the Property, shall maintain builders' all risk insurance with a stated amount clause for the improvements of not less than the balance outstanding hereunder or full insurable value coverage.

(c) If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or air conditioning or sprinkler system is at any time operated on the Property, the Chargor will also insure and keep insured for a full replacement value against loss or damage by explosion of or otherwise caused by any such apparatus or system,

(d) Each insurance policy will be carried with a company or companies and contain a charge/mortgage clause and a loss payee Clause in favour of the Lender as its interest may appear, approved by the Lender. The Chargor shall immediately give the Lender a certified copy of each insurance policy and, not less than thirty days before any policy expires or is terminated, evidence of its renewal or replacement. The Lender may require cancellation of any insurance required by the Charge and new insurance effected by an insurer to be approved by the Lender.

(e) The Lender has the right, but shall not be obligated, to obtain and maintain any insurance if the Chargor fails to do so or fails to comply with any of the obligations set forth in this paragraph. The Chargor shall immediately pay the Lender all premiums paid and all costs and expenses incurred by the Lender to effect such insurance.

(f) If any loss or damage occurs to any part of the Property, the Chargor shall immediately notify the Lender and, at the Chargor's expense, do everything necessary to enable the Lender to obtain the insurance proceeds. The Lender may require that all or any part of such proceeds, or the proceeds of any other insurance required hereby or otherwise effected with respect to all or any part of the Property, be applied towards all or any part of the Indebtedness, whether or not due, or be used to repair such loss or damage.

(g) As additional security for payment of the Indebtedness and performance of the Chargor's other obligations under the Charge, the Chargor assigns to the Lender all of the Chargor's interest in or under any policy of insurance effected with respect to all or any part of the Property, whether or not effected in accordance with the provisions of this paragraph. The Chargor hereby irrevocably appoints each officer of the Lender (with power of substitution) as attorney of the Chargor to endorse on behalf of the Chargor any cheques issued by any insurer with respect to any policy of insurance effected pursuant to this paragraph, or otherwise, with respect to all or any part of the Property.

21. REPAIRS, MAINTENANCE AND INSPECTION

(a) The Chargor shall keep the Property in good condition and in a state of good repair and shall not do, fail to do or permit anything to be done which, in the opinion of the Lender, will lower its value. The Chargor shall not commit or permit any act of waste on the Property nor allow any part of the Property to become or remain vacant without the Lender's written consent.

(b) The Chargor shall perform and observe the requirements of every present and future statute, law, by-law, ordinance, regulation and order affecting the operation, condition, maintenance, repair, construction, use or occupation of all or any part of the Property.

(c) If any part of the Property is farmland, the Chargor shall in each year either put into crop or summerfallow in a proper manner every part thereof which has been or may in the future be brought under cultivation. The Chargor shall also keep such Property clean and free from all noxious weeds and generally see that it does not depreciate in any way as farmland.

(d) The Chargor authorizes the Lender to enter on and inspect the Property whenever the Lender deems it necessary or advisable to do so.

(e) If, in the sole opinion of the Lender, the Chargor does not observe or perform any of the foregoing provisions of this paragraph, the Lender may from time to time (but shall not be obligated to) enter on and inspect the Property at any time and make such repairs and do such other acts or things it deems necessary to protect or preserve the Property and to carry out the Chargor's obligations under this paragraph 21 including, if the Property is farmland, the farming, improvement and general management thereof. The Chargor shall immediately pay the Lender all amounts, costs and expenses paid or incurred by it in connection with any of the foregoing.

(f) if the Chargor fails at any time for a period of ten consecutive days to diligently carry on any Improvement (as defined in paragraph 22) to or on any part of the Property, or without the written consent of the Lender departs from the plans and specifications approved by the Lender with respect thereto or from the generally accepted standards of construction in the locality of the Property, or if default occurs in payment of any sum required to be paid under the Charge, or the Chargor fails to perform any obligation to be performed by the

Chargor pursuant to the Charge, the Lender may from time to time enter on the Property and have exclusive possession of all materials, plant and equipment thereon, free of interference from or by the Chargor, and complete the improvement either according to such plans and specifications or according to such other plans, specifications or design as the Lender in its absolute discretion shall determine. The Chargor shall immediately pay the Lender all costs and expenses incurred by it in connection with any of the foregoing In exercising any of the foregoing rights, the Lender shall be deemed not to be a mortgagee or chargee in possession.

(g) Any entry which may be made by the Lender pursuant to any provision of the Charge may be made by any agents, employees and/or contractors thereof.

22. IMPROVEMENTS, DEMOLITION

(a) In this paragraph 22, the term "Improvement" has the meaning given to it in the *Construction Lien Act* (Ontario), as amended or replaced from time to time, and includes any alteration, addition or repair to, and any construction, erection, remodelling, rebuilding or installation on or of, any part of the Property and the demolition or removal of any building or part of any building on the Property.

(b) The Chargor agrees that no Improvement to or on the Property will be made or commenced (by the Chargor or any other person) unless the Chargor first provides a copy of all proposed plans, blueprints and specifications to the Lender and obtains the Lender's written consent thereto. The Improvement shall form part of the Property but, nevertheless, it is expressly agreed that the Charge is not and shall not be a building mortgage under section 20 of the *Mortgages Act* (Ontario), as amended or replaced from time to time. Subject to paragraph 13, the Lender may make advances to the Chargor under the Charge based on progress in completing the Improvement or upon its completion or, in the case of a building, its occupation or sale or otherwise. The Chargor shall construct and complete the Improvement in accordance with the plans and specifications approved by the Lender and all applicable governmental building standards as quickly as possible and make all payments for the Improvement that it is required to make, and shall provide the Lender with proof of such payments on request.

(c) The Lender may retain funds from any advance or advances under the Charge until the Lender is completely satisfied that all statutory holdback provisions have been fully complied with. Should the Lender be required to enter any defence in any action brought pursuant to the *Construction Lien Act* (Ontario), resulting from an Improvement to the Property, legal fees and expenses on a solicitor and his own client basis, and any other costs and expenses incurred by the Lender shall be immediately repaid by the Chargor to the Lender, and if not, shall be added to the Indebtedness.

23. CONDOMINIUM

(If the Property is a condominium unit, the Chargor must also comply with this paragraph in addition to all other provisions of the Charge. The Chargor does not, however, have to comply with paragraph 20.)

(a) **Compliance with the *Condominium Act*, etc.** - The Chargor will comply with the *Condominium Act* and with the Declaration, by-laws and rules and regulations of the Condominium Corporation as they exist from time to time.

(b) **Payment of Amounts and Common Expenses** - The Chargor will pay all amounts required by the *Condominium Act* and by the Declaration and by-laws of the Condominium Corporation on or before they are due and, if the Lender requests, give the Lender proof that the Chargor has done so. The Chargor must pay common expenses. If the Chargor does not make any payments which the Chargor is obligated to pay, the Chargor will be in default under the Charge, and the Lender may, at its option, make such payments on the Chargor's behalf, and add the amount of any such payments to the Indebtedness.

(c) **Notices and Demands** - The Chargor will mail to the Lender by prepaid registered mail, or deliver to the Lender, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of the Lender to consent to any matter, and every other communication relating to the Chargor's unit or the common elements of the Condominium Corporation so that the Lender receives them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date the Chargor receives them.

(d) **Voting Rights**

(i) The Chargor authorizes the Lender, in the Chargor's name and on its behalf, and whether or not the Chargor is in default, to exercise its rights under the *Condominium Act* to vote at any meeting of the Condominium Corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the Condominium Corporation or the termination of the application of the *Condominium Act* to the Condominium Corporation.

(ii) The Lender may wish not to use the Lender's rights to vote or consent and if the Lender does not wish to do so, the Lender may notify the Condominium Corporation, in which case the Chargor can vote or consent. The Lender's wish not to vote or consent can be for a limited time or for a particular meeting or matter. When the Lender does vote or consent for the Chargor, the Lender does not then become a mortgagee in possession and are not responsible to protect the Chargor's interests nor for the way the Lender votes or consents or fail to do so.

(e) **Acceleration of Repayment of Loan Amount** - At the Lender's option, the Indebtedness will become payable immediately if:

(i) government of the property of the Condominium Corporation under the *Condominium Act* is terminated;
(ii) a vote of the unit owners authorizes the sale of the property of the Condominium Corporation or of a part of its common elements;
(iii) the Condominium Corporation fails to comply with the *Condominium Act*, Declaration, by-laws or rules and regulations;
(iv) the Condominium Corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;

(v) the Condominium Corporation fails, in the Lender's opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or

(vi) the Condominium Corporation fails to insure all the condominium units and common elements according to law and any additional requirements the Lender may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act*, the Condominium Corporation must obtain appropriate insurance. In addition, the Chargor must insure all improvements which at any time have been made to the Property against loss or damage by fire and, as well, against such additional risks as the Lender may require. The insurance company or companies must be approved by the Lender. The Chargor and the Condominium Corporation or both assign and transfer the policy or policies of insurance and receipts thereof to the Lender and if the Chargor or the Condominium Corporation or both fail to keep the buildings and improvements insured or provide the Lender at least fifteen days before the termination of any insurance, evidence of renewal, the Lender is entitled but not obligated to insure the buildings or improvements. The Chargor must, if the Lender asks for them, give the Lender certified copies of every insurance policy. If any loss or damage occurs, the Chargor will immediately, at its expense, do everything necessary to enable the Lender to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at the Lender's choice, in whole or in part be applied to repair the damage, be paid to the Chargor or be applied to reduce any part of the Indebtedness whether or not yet due.

The obligation to insure may be performed by the Condominium Corporation and the proceeds of insurance may be payable in accordance with the Declaration and by-laws of the Condominium Corporation. The Chargor promises that, in the event of loss or damage, the Chargor will fully comply with the terms of all insurance policies and with the insurance provisions of the Declaration and by-laws and that, as a member of the Condominium Corporation, the Chargor will insist that the Condominium Corporation fully complies with these terms.

24. EFFECT OF SUBDIVISION

If the Property is subdivided, each part of the Property shall continue to secure payment of the total amount of the Indebtedness and no person shall have any right to require the Indebtedness to be apportioned upon or in respect of any part of the Property.

25. LEASES AND RENTS

(a) The Chargor assigns to the Lender, as additional security for payment of the Indebtedness (i) all leases heretofore or hereafter granted by the Chargor (or any predecessor in title) of all or any part of the Property and (ii) any rents payable from time to time under such leases and the benefit of the terms and conditions contained therein and the reversion thereunder. The Chargor shall, on request from time to time, execute a formal assignment of any of the foregoing in a form acceptable to the Lender and, if requested by the Lender, suitable for registration. The Chargor agrees to give the Lender executed copies of all such leases promptly after their execution and to perform all of the Chargor's obligations thereunder. No such assignment or any act of the Lender pursuant thereto shall operate to delay, hinder or prejudice any of the Lender's rights or remedies under the Charge. The Chargor shall also, from time to time, execute and deliver to the Lender such notices to lessees or others and such other documents as the Lender may request for the purpose of protecting or enforcing its rights in respect of such assignments.

(b) The Lender shall not be responsible for the collection of any rents assigned to it or the performance of the terms and conditions of any lease referred to in this paragraph. The Lender shall be responsible to account only for rents actually received, less reasonable collection charges, and may apply such rents to the repayment of the Indebtedness, whether or not due. The Lender shall not by reason of any such collection or any assignment referred to in this paragraph be deemed a mortgagee or chargee in possession.

(c) Notwithstanding this paragraph, no lease of all or any part of the Property shall be made by the Chargor without the written consent of the Lender. Notwithstanding any such consent, no such lease shall have priority over this Charge unless the Lender expressly agrees to such priority in writing. For the purposes of the Charge, every action or omission by the lessee under any lease of all or any part of the Property shall be conclusively deemed to be the action or omission of the Chargor.

26. PROPERTY TAXES

The Chargor will pay promptly as they fall due all taxes, rates and assessments (municipal, local, parliamentary or otherwise) which now are or may hereafter be imposed, charged or levied with respect to all or any part of the Property (collectively, "taxes") and will upon request, provide the Lender with evidence satisfactory to it of such payment. Without in any way limiting or restricting the generality of the foregoing obligations and any other obligations of the Chargor, the Chargor agrees with the Lender that:

(a) the Lender may pay out of and deduct from any advance of the Principal Amount any taxes, the whole or any instalment of which has or will become payable on or before the interest Adjustment Date;

(b) whenever and so long as the Lender requires, the Chargor will pay to the Lender, on or before the first day of each month, or on such other date or dates as the Lender may require from time to time, or in such manner, if any, as is set out in the Schedule, a sum sufficient, as determined by the Lender, to enable the Lender to pay the whole amount of any taxes on or before the due date for payment thereof, or, if such taxes are payable in instalments, on or before the due date for payment of the first instalment;

(c) the Chargor shall provide to the Lender all tax bills and other notices relative to the imposition of taxes immediately after receipt thereof;

(d) all payments made by the Chargor to the Lender pursuant to paragraph 26(b) shall, at the Lender's option, be either credited to a tax account or, if any event or circumstance set out in paragraph 28 has occurred and is continuing, applied against the Indebtedness (whether or not due); and

(e) if and so long as the Lender requires payments to be made pursuant to paragraph 26(b), the Lender shall, so long as the Chargor is not in default hereunder, pay all taxes as they fall due or at such earlier time as the Lender deems fit; all such payments by the Lender shall be debited to the tax account to the extent that the amount in such account is sufficient and, to the extent that the amount in such account is insufficient, the Chargor shall immediately pay the Lender the amount of each such payment.

27. OTHER LIENS, RENEWALS OF LEASES

(a) Unless the Lender otherwise consents, the Chargor will not create or permit to exist any Lien on or against all or any part of the Property, any Lease or any leases or rents referred to in paragraph 25, other than Liens (i) for taxes which are not due or (ii) incidental to construction, repairs or current operations which have not been registered against the Property, which relate to obligations which are not due and written notice of which has not been given to the Lender. The Chargor shall pay, when due, all amounts payable under, in respect of or secured by any Lien or other claim on, against or relating to all or any part of the Property or any Lease and shall comply with all obligations contained in the document or statute under which any such Lien or other claim arose. The Lender may, but shall not be obligated to, pay any such amount and/or cure any default under any such document or statute and the Chargor will immediately pay the Lender all amounts, costs and expenses paid or incurred in so doing. To the extent the Lender pays any such amount, it shall be entitled to all equities and securities of the person or persons so paid and it may retain any discharge or cessation of charge unregistered until paid. The Chargor shall immediately notify the Lender in writing of the creation or coming into existence of any Lien on or against all or any part of the Property or any Lease and of the terms and conditions thereof.

(b) The Lender may from time to time obtain an order vacating any construction lien registered against all or any part of the Property and, if the Lender considers it necessary, provide financial guarantees or other security to facilitate the obtaining of any such order. The Chargor shall immediately pay the Lender all costs and expenses paid or incurred by the Lender to obtain such order or to provide such guarantees or security.

(c) If the Chargor has a leasehold interest in the Property and the Chargor refuses or neglects to renew any Lease, the Lender may (but shall not be obligated to) from time to time effect any such renewal in its own name or otherwise. The Chargor shall immediately pay the Lender all costs and expenses incurred by the Lender in connection with any such renewal.

28. DEFAULT

In addition to the Lender's other rights, whether under the Charge or otherwise, to require payment of the Indebtedness, the Indebtedness shall, at the Lender's option, become immediately due and payable and the Chargor shall thereupon pay same to the Lender, in the event that any of the following events or circumstances shall occur and be continuing:

(a) the Chargor fails to pay when due all or any part of the Indebtedness or any amount payable pursuant to any promissory note or other instrument, agreement or document, now or later entered into, in respect of or representing all or any part of the Indebtedness;

(b) the Chargor fails to observe or perform any provision or obligation hereunder except as contemplated in paragraph 28(a);

(c) any statement any Obligor has given or made, at or prior to signing the Charge (including without limitation those contained in paragraph 18, which shall be deemed to have been given or made when the Charge was signed), in respect of the Property, the Chargor, any Lease, the Indebtedness, any Obligor or the affairs of any Obligor, is untrue in any material way on the date given or made;

(d) any Lien or notice of a Lien is registered against the title to all or any part of the Property without the Lender's prior written consent;

(e) the Property is abandoned or any act of waste is committed as to all or any part of the Property; or any building or other structure now or later being erected on the Property remains unfinished and without any work being done on it for a period of ten consecutive days;

(f) the Chargor sells, transfers, leases or otherwise disposes of all or any part of the Property, any Lease or any interest in any of the foregoing, or agrees to do so, without the Lender's prior written consent;

(g) the Chargor ceases to carry on the business ordinarily carried on from the Property without the Lender's prior written consent;

(h) any order is made or resolution passed for the winding-up, liquidation or other dissolution of an Obligor which is a corporation, or there is a change in the membership or dissolution of an Obligor which is a partnership;

(i) in the opinion of the Lender, there is a change in effective control of an Obligor which is a corporation;

(j) an Obligor makes an assignment for the benefit of creditors, or any proceedings shall be instituted by or against an Obligor seeking to adjudicate it bankrupt or insolvent or seeking liquidation, winding-up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or other similar law or seeking the appointment of a receiver, receiver and manager, trustee, custodian or other similar official for it or any of its property (excluding proceedings which are being contested by such Obligor in good faith, which have been outstanding for fewer than thirty days and in respect of which any enforcement proceedings are stayed), or an Obligor is declared bankrupt, or a receiver, receiver and manager, trustee, custodian or other similar official is appointed of it or in respect of all or any part of the Property, or power of sale or foreclosure proceedings are commenced against all or any part of the Property;

(k) another encumbrancer takes possession of all or any part of the Property or a distress or execution or other similar process is brought against all or any part of the Property;

(l) if the Chargor fails to remit to Revenue Canada when due, any amounts owing for GST and source deductions required to be withheld by employers pursuant to the *Income Tax Act*, the *Employment Insurance Act*, the *Excise Tax Act*, and any other applicable legislation;

(m) if the Chargor encumbers the Property or the chattels mortgaged hereunder with any other mortgage or other charge without having obtained prior written authorization from the Lender to this effect; or

(n) if the Chargor breaches the warranty contained in paragraph 19.

29. REMEDIES ON DEFAULT

(a) If any of the events or circumstances set out in paragraph 28 has occurred and is continuing, the Lender may (but shall not be obligated to), from time to time and in any order, separately or in combination, and after giving the minimum notice, if any, required by applicable law and obtaining court approval where necessary, enforce any one or more of the following remedies:

  (i) sue the Chargor for all or any part of the Indebtedness;

  (ii) distrain for arrears of all or any part of the Indebtedness;

  (iii) take judicial proceedings to foreclose the Chargor's and/or any other person's interest in all or any part of the Property or any Lease, to take possession of it and/or to sell, lease or otherwise deal with it;

  (iv) enter on and take possession of all or any part of the Property;

  (v) sell and/or lease all or any part of the Property or sell the unexpired term of any Lease;

  (vi) assign any Lease and sell the last day of the term granted by the Lease and/or remove the Chargor or any other persons from being a trustee of the last day of the term of any Lease and appoint a new trustee or trustees in its place;

  (vii) appoint in writing a receiver (which term as used herein includes a receiver and manager) of all or any part of the Property and the rents and other income thereof and from time to time remove any receiver and appoint another in its place;

  (viii) exercise in respect of the insurance policies, insurance trust agreements, leases, rents and benefits assigned pursuant to paragraphs 20(f) and 25(a) the remedies exercisable by the Lender in respect of all or any part of the Property; and

  (ix) exercise any other rights or remedies which the Lender may have, whether pursuant to the Charge, at law, in equity, by contract or otherwise.

(b) Nothing contained herein and nothing done by the Lender or any receiver, other than taking possession of the Property in fact, shall render the Lender or such receiver a mortgagee or chargee in possession.

(c) The Chargor hereby waives the right to claim any exemption with respect to the Lender's right of distress, and agrees that the Lender shall not be limited as to the amount for which it may distrain.

(d) Any sale contemplated or permitted herein may be for cash or for credit, or partly for cash and partly for credit, by tender, private sale or public auction, as a whole or in separate parcels, with or without a reserve bid, with or without advertisement and at any time or times and on such terms as the Lender thinks reasonable. The Lender will be accountable for sale proceeds or rent only when received in cash. The Lender may use the services of any real estate agent in connection with any sale or lease (including any agent affiliated with the Lender). The Lender may apply the net proceeds of any lease or sale to any part of the Indebtedness determined by the Lender and the Chargor will pay the Lender any part of the Indebtedness remaining unpaid.

(e) The Lender may cancel or amend any contract of sale or lease and sell or lease again, or adjourn any such sale from time to time, all as the Leader thinks reasonable, without being responsible for any resulting loss.

(f) Any purchaser or lessee from the Lender or a receiver pursuant hereto shall not be required to see to the validity, legality, regularity or propriety of such sale or lease, or that a default has happened on account of which the sale or lease is being made. The Chargor agrees that each such purchaser and lessee will receive good title to or a valid lease of that part of the Property sold or leased, and that the Chargor will not make any claims concerning the validity, legality, regularity or propriety of the sale or lease against the purchaser or lessee or their successors in title. The Chargor's only claim respecting such validity, legality, regularity or propriety will be made against the Lender and will be in damages only.

(g) The Lender may lease or sell without entering into actual possession of the Property and, while in possession, shall only be accountable for moneys actually received by it.

(h) Without limiting the generality of paragraph 29(a), sales may be made from time to time of parts of the Property to satisfy any part of the Indebtedness, leaving the balance thereof secured under the Charge on the remainder of the Property.

(i) If the Chargor has a leasehold interest in the Property, the Chargor irrevocably appoints each officer of the Lender (with the power of substitution) to be the Chargor's attorney during the continuance of the Charge so as to permit the Lender to execute any document or do any act or thing which the Lender is permitted or the Chargor is required to execute or do pursuant to the provisions hereof.

(j) If the Chargor has a leasehold interest in the Property, the Chargor shall (i) at the request of the Lender and at the cost and expense of the Chargor, sell and assign to the Lender or any person appointed by the Lender, the last day of the term of the Lease or any renewal term, and (ii) in the event of any sale by the Lender as contemplated herein, hold such last day in trust for the purchaser, and the purchaser's heirs, executors, administrators, successors and assigns.

(k) Neither the Chargor nor any person claiming an interest in the Property through the Chargor shall interfere in any way with the Lender's possession of the Property obtained pursuant to the provisions hereof nor with the possession of anyone to whom all or any part of the Property is sold or leased by the Lender or any receiver appointed pursuant to the provisions hereof.

(l) In appointing a receiver pursuant to the provisions hereof, the Lender shall be deemed to be acting as the Chargor's agent and attorney so that the receiver shall, with respect to responsibility for the receiver's acts or omissions, be considered the Chargor's agent and so that the receiver's defaults shall be considered the Chargor's defaults. The Lender may from time to time fix the remuneration of the receiver and direct its payment out of the income of the Property, but in no event shall the Lender incur any liability for such remuneration. The receiver shall, in the Lender's discretion, be vested with and may enforce all or any of the Lender's rights and discretions under the Charge with the same effect as if exercised by the Lender (including without limitation the rights and discretions set out in paragraph l6 and this paragraph 29) and such other rights as the Lender may confer in writing. The receiver shall have the power to borrow on the security of the Property in priority to the Charge or otherwise, to collect rent and other income of the Property and to carry on or concur in carrying on any business carried on by the Chargor on the Property. From the rent and other income collected, and from the proceeds of all other realization hereunder, the receiver shall, in such order as the Lender sees fit: pay all the rents, taxes, rates, insurance premiums and other outgoings affecting the Property and any other amount the Lender is permitted to pay hereunder; pay the receiver's own remuneration and the cost of repairs; pay all amounts required to keep in good standing any Liens ranking in priority to the Charge; and pay the Lender all or any part of the Indebtedness.

30. DISCHARGE

The Charge shall only terminate upon payment in full of the Indebtedness and complete performance of the Chargor's other obligations hereunder, provided that such termination shall be effective only if the Lender shall have received a written notice from the Chargor requesting a discharge or assignment hereof and if no further Indebtedness becomes outstanding prior to the delivery of such discharge or assignment. Upon termination of the Charge, the Chargor may request in writing that the Lender provide the Chargor with a discharge of the Charge or an assignment of the Charge to a third party and the Lender shall sign such document and send it to the Chargor within a reasonable time. The Chargor shall pay immediately the Lender's usual administration fee for preparing, reviewing, signing and/or delivering any such discharge or assignment and the Lender's legal and other expenses, if any, whether such documentation is prepared by the Chargor's lawyer or by the Lender's lawyer. It is the Chargor's responsibility to register the discharge or assignment on title and to pay the registration fee.

31. INSPECTION

If the Lender, CMHC or GEMI (if this is a CMHC or GEMI insured charge), or their respective agents have reason to believe that the Property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, the Chargor agrees that the Lender, CMHC, GEMI or their respective agents may, at any time, before or after default, enter and inspect the Property and conduct any environmental testing, site assessment, investigation or study which the Lender, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the Interest Rate, will be immediately payable by the Chargor and shall be a charge on the Property. The Lender, CMHC or GEMI and their respective agents will not become a mortgagee in possession, management or control by exercising these rights.

32. EXPENSES

The Chargor shall immediately pay to the Lender all amounts the Lender is permitted to pay under the Charge and all costs and expenses of or relating to inspecting, protecting, repairing, completing, insuring, taking and keeping possession of and managing all or any part of the Property, preparing it for sale or lease, selling or leasing it, renewing any leasehold interest, collecting any part of the Indebtedness, the exercise of any of the rights of a receiver appointed pursuant to the provisions hereof, such receiver's fees and expenses, agents' costs and expenses, legal fees and expenses on a solicitor and his own client basis, and any other costs and expenses of exercising or protecting the Lender's rights (hereunder or otherwise) or all or any part of the Property (including without limitation environmental clean-up costs and expenses). The Chargor shall pay the Lender on demand interest at the Interest Rate on such amounts, costs and expenses (and on all other Costs) from the date they are paid by the Lender until they are repaid by the Chargor, which interest shall be calculated as hereinbefore provided. *For greater certainty, all costs and expenses referred to herein shall form part of the indebtedness and be secured by the Charge.*

33. FINANCIAL STATEMENTS

If so requested by the Lender, the Chargor and the Guarantor will provide to the Lender any and all financial information and statements relating to the Property, Chargor or Guarantor including, without limiting the generality of the foregoing, financial statements (including year-end financial statements prepared by a professionally recognized chartered accountant) acceptable to the Lender *and as may be more particularly described in any commitment letter between the Chargor and the Lender.*

34. GUARANTEE

The Guarantor agrees on behalf of the Guarantor, the Guarantor's executors, administrators, successors and assigns:

(a) to be jointly and severally liable with the Chargor as principal debtor of all the monies payable under this Charge at the times and in the manner herein provided;

(b) to be liable to the Lender in the same manner and to the same extent as if the Guarantor had executed this Charge as Lender;

(c) to unconditionally guarantee the full performance and discharge of all of the obligations to be fulfilled by the Chargor pursuant to the provisions hereof at the times and in the manner herein provided;

(d) to indemnify and save harmless the Lender against and from all losses, damages, costs and expenses which the Lender may sustain, incur or be or become liable for by reason of the failure, for any reason whatsoever, of the Chargor either to pay the monies expressed to be payable pursuant to the provisions of this Charge or to do and perform any other act, matter or thing pursuant to the provisions of this Charge;

(e) that the Lender may at any time and from time to time and without notice to, or any consent or concurrence from the Guarantor, make any settlement or variation in the terms of this Charge or grant any extension of time or other indulgence, or accept the surrender of any security, and that no such thing done by the Lender, nor any carelessness or neglect by the Lender in asserting or preserving its rights, nor the loss by operation of law of any right of the Lender against the Chargor, nor the bankruptcy or insolvency of the Chargor, nor the loss or destruction of any security, shall in any way release or diminish the liability of the Guarantor hereunder, so long as any monies expressed by this Charge to be payable remain unpaid or the Lender has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid;

(f) that the Lender shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce the obligations herein set out and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Chargor or the enforcement of any security for any such debt or obligation;

(g) that nothing but payment and satisfaction in full of all monies secured by this Charge and the due performance and observation of all covenants, agreements and provisoes in this Charge and any other security to be given to the Lender shall release the Guarantor from this covenant;

(h) that this covenant shall be assignable by the Lender and that assignment of this Charge shall constitute assignment of this covenant and that this covenant shall not be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment and/or reassignment of this Charge at any time;

(i) that upon any breach or default by the Chargor, this covenant shall be deemed to have been breached;

(j) to waive all notice of default, non-performance, non-payment and non-observance on the part of the Chargor of the terms, covenants and provisoes contained in this Charge;

(k) that this Charge would not have been entered into by the Lender without this covenant, and the Guarantor acknowledges the foregoing and acknowledges having read the Charge;

(l) that any liability under this covenant shall not be impaired or discharged by reason of the Lender taking further or other security for payment of the monies due or to become due under this Charge, or by the Lender at any time releasing any security or partial security hereunder, or the release or partial release of the Guarantor hereto whether by the Lender or by operation of law, or by any other act or thing whereby as guarantor(s), the Guarantor would or might be released in whole or in part;

(m) that any payment by the Guarantor of any monies under this covenant shall not in any event be taken to affect the liability of the Chargor for payment thereof, but such liability shall remain unimpaired and enforceable by such Guarantor against the Chargor and such Guarantor shall, to the extent of any such payments made by it in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Lender was entitled prior to payment by such Guarantor, provided, nevertheless, that such Guarantor shall not be entitled in any event to rank for payment against the Property or any collateral security, in competition with the Lender and shall not unless and until the whole of the principal, interest and other monies owing on the security of this Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Lender;

(n) that, without limiting the generality of the foregoing, this guarantee is absolute, irrevocable, and unconditional;

(o) that this covenant shall apply for the full duration of this Charge and any and all renewals thereof unless a release in writing has been authorized by the Lender and for greater certainty, the Guarantor acknowledges that the renewal periods may extend up to the full amortization period of this Charge.

If more than one person signs the Charge as Guarantor, such persons are jointly and severally liable to observe and perform all the Guarantor's obligations herein.

35. FAMILY LAW ACT

The Chargor certifies to the Lender that all information which the Chargor gave to the Lender about his/her marital status and the Property when applying for the loan secured by the Charge, and the statements made in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act,* R.S.O., 1990, c.F.3 (as amended or replaced). If any change in status occurs, the Chargor shall inform the Lender immediately in writing.

36. EXPROPRIATION

(a) If the entire Property is expropriated, the Indebtedness will immediately become due and payable together with the greater of:

  (i) the amount equal to three (3) months' interest payable under the Charge, and

  (ii) the "Yield Maintenance Fee" (as hereinafter defined).

The "Yield Maintenance Fee" is the amount, if any, as of the date of prepayment, by which the present value of the future instalments of principal and interest due until the Balance Due Date, including the balloon payment due on the Balance Due Date, in respect of this Charge calculated using the Government of Canada Yield (as hereinafter defined), calculated semi-annually not in advance, exceeds the then outstanding principal amount hereunder. The "Government of Canada Yield" means the wholesale bid side yield, as determined by the Lender, on a current Government of Canada coupon bond having a maturity equivalent to the remaining term of the Charge, which determination shall be made as of 10:00 a.m. Eastern Standard Time on the date of prepayment.

(b) If only a part of the Property is expropriated, the amount the Chargor is awarded for the partial expropriation will be paid to the Lender and the Lender will credit it to the Indebtedness. If, in the Lender's opinion, the remainder of the Property does not constitute adequate security for the Indebtedness, then the Indebtedness, or such part of the Indebtedness as the Lender may determine, will immediately become due and payable together with the greater of:

(i) the amount equal to three (3) months' interest payable under the Charge, and

(ii) the "Yield Maintenance Fee" (as defined in paragraph 36(a)(ii)).

37. BONUS ON DEFAULT

UPON DEFAULT of payment of any of the monies secured and payable hereunder, the Lender shall be entitled to require payment, in addition to all monies hereby secured or payable hereunder, of a bonus equal to three (3) months interest in advance at the rate aforesaid upon the principal money hereby secured or at the Lender's sole option, a bonus equal to the damages sustained by the Lender and equal to the "Yield Maintenance Fee" as defined in paragraph 36(a)(ii).

38. NON-MERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto the terms and/or conditions of the letter of commitment issued by the Lender pertaining to the loan transaction evidenced by this Charge (the "Commitment Letter") shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on the closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of the Commitment Letter and the Charge, the Lender shall determine in its sole discretion which provisions shall prevail.

39. DATE OF CHARGE

The Chargor agrees that, only for the purpose of defining the date of the Charge with respect to any statutory right of prepayment, the date of the Charge will be deemed to be the interest adjustment date set out in the registered document.

40. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to the Property, the Chargor agrees to comply with its requirements and to reimburse the Lender for any costs which the Lender incurs in complying or enforcing the Chargor's rights on the Chargor's behalf if the Chargor fails to do so.

41. WHO IS BOUND

Not only does the Chargor agree to be bound by everything, including its obligations, in the Charge, but its legal and personal representatives and anybody else to whom the Property is transferred, charged or encumbered are also bound. The Charge is also binding on the Lender's successors and assigns and on anybody to whom the Lender may transfer the Charge.

If more than one person signs the Charge as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the Charge. If any borrower or guarantor is female or a corporation, then the Charge will be read with all necessary grammatical changes.

42. PARTIAL INVALIDITY

If any provision of the Charge is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

43. PARAGRAPH HEADINGS

Headings in the Charge do not form part of the Charge but are used only for easy reference.

44. NATIONAL HOUSING ACT

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

45. EQUIVALENT INTEREST RATES (Applicable only to variable rate charges)

The following information is provided to the Chargor since the Prime Rate and the current rate may be expected to change from time to time. For each current rate (calculated monthly not in advance) set forth, the adjacent column sets forth the equivalent interest rate calculated semi-annually not in advance.

CURRENT RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)
3.000	3.01881	**11.000**	11.25519	**19.000**	19.76815
3.125	3.14542	11.125	11.38605	19.125	19.90340
3.250	3.27208	11.250	11.51699	19.250	20.03872
3.375	3.39882	11.375	11.64800	19.375	20.17411
3.500	3.52562	11.500	11.77909	19.500	20.30956
3.625	3.65249	11.625	11.91021	19.625	20.44509
3.750	3.77942	11.750	12.04141	19.750	20.58068
3.875	3.90642	11.875	12.17269	19.875	20.71635
4.000	4.03348	**12.000**	12.30403	**20.000**	20.85208
4.125	4.16061	12.125	12.43544	20.125	20.98789
4.250	4.28781	12.250	12.56692	20.250	21.12376
4.375	4.41507	12.375	12.69846	20.375	21.25971
4.500	4.54240	12.500	12.83008	20.500	21.39572
4.625	4.66979	12.625	12.96176	20.625	21.53180
4.750	4.79725	12.750	13.09351	20.750	21.66796
4.875	4.92478	12.875	13.22533	20.875	21.80418
5.000	5.05237	**13.000**	13.35721	**21.000**	21.94047
5.125	5.18003	13.125	13.48916	21.125	22.07683
5.250	5.30776	13.250	13.62118	21.250	22.21326
5.375	5.43555	13.375	13.75327	21.375	22.34977
5.500	5.56341	13.500	13.88543	21.500	22.48634
5.625	5.69133	13.625	14.01766	21.625	22.62298
5.750	5.81932	13.750	14.14995	21.750	22.75969
5.875	5.94738	13.875	14.28231	21.875	22.89647
6.000	6.07550	**14.000**	14.41474	**22.000**	23.03332
6.125	6.20369	14.125	14.54724	22.125	23.17024
6.250	6.33195	14.250	14.67981	22.250	23.30724
6.375	6.46027	14.375	14.81244	22.375	23.44430
6.500	6.58866	14.500	14.94514	22.500	23.58143
6.625	6.71711	14.625	15.07791	22.625	23.71863
6.750	6.84564	14.750	15.21075	22.750	23.85590
6.875	6.97423	14.875	15.34366	22.875	23.99324
7.000	7.10288	**15.000**	15.47664	**23.000**	24.13066
7.125	7.23160	15.125	15.60968	23.125	24.26814
7.250	7.36039	15.250	15.74279	23.250	24.40569
7.375	7.48925	15.375	15.87597	23.375	24.54331
7.500	7.61817	15.500	16.00922	23.500	24.68101
7.625	7.74716	15.625	16.14254	23.625	24.81877
7.750	7.87621	15.750	16.27593	23.750	24.95660
7.875	8.00534	15.875	16.40939	23.875	25.09451
8.000	8.13452	**16.000**	16.54291	**24.000**	25.23248
8.125	8.26378	16.125	16.67650	24.125	25.37053
8.250	8.39310	16.250	16.81016	24.250	25.50865
8.375	8.52249	16.375	16.94389	24.375	25.64683
8.500	8.65195	16.500	17.07769	24.500	25.78509
8.625	8.78147	16.625	17.21156	24.625	25.92342
8.750	8.91106	16.750	17.34550	24.750	26.06181
8.875	9.04072	16.875	17.47950	24.875	26.20028
9.000	9.17045	**17.000**	17.61358	**25.000**	26.33882
9.125	9.30024	17.125	17.74772	25.125	26.47743
9.250	9.43010	17.250	17.88193	25.250	26.61611
9.375	9.56002	17.375	18.01621	25.375	26.75486
9.500	9.69002	17.500	18.15056	25.500	26.89369
9.625	9.82008	17.625	18.28498	25.625	27.03258
9.750	9.95021	17.750	18.41947	25.750	27.17154
9.875	10.08040	17.875	18.55403	25.875	27.31058
10.000	10.21066	**18.000**	18.68865	**26.000**	27.44969
10.125	10.34099	18.125	18.82335	26.125	27.58886
10.250	10.47139	18.250	18.95811	26.250	27.72811
10.375	10.60185	18.375	19.09295	26.375	27.86743
10.500	10.73238	18.500	19.27785	26.500	28.00682
10.625	10.86298	18.625	19.36282	26.625	28.14628
10.750	10.99365	18.750	19.49766	26.750	28.28581
10.875	11.12438	18.875	19.63297	26.875	28.42541

DATED at Toronto, this 10th day of October, 2002

CIBC MORTGAGES INC.

per: Maria Accomando-Dodds

Maria Accomando-Dodds
Manager, Processing

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200227 Cote

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200228 Cote
Filing Date Oct. 24th, 2002 Date de Dépôt
Page 1 of/de Eighteen (18) Pages
Ian Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

filed by - HOME TRUST COMPANY

STANDARD CHARGE TERMS

The following set of STANDARD CHARGE TERMS shall be deemed to be included in every Charge in which the set is referred to by its filing number, as provided in section 9 of the above Act.

INDEX

Paragraph | Heading | Page No.

PARTIES AND TERMS

1. Parties to the Standard Charge Terms 3

MATTERS RELATING TO PAYMENT

2. Your Covenant to Pay 3
3. Your Obligation to Pay Without Set-off or Delay 3
4. Application of Payments and Interest After Default 3
5. No Obligation to Advance 3
6. Prepayment Privileges and Compensation 3
7. Time and Place for Payment 4
8. Preauthorized Payments 4
9. Renewal 4
10. Fluctuating Account/Additional Debts Secured 5
11. Discharge 5

COVENANTS AND WARRANTIES

12. Title Warranty and Covenants 5
13. Additional Covenants if Property is a Leasehold 5
14. Fixtures, Additions, etc. 6
15. Representations, Information, etc. 6
16. Compliance With Building and Other Laws and Use 6
17. No Other Mortgages or Liens 6
18. Payment of Taxes and Other Encumbrances 6
19. No Sale Without Consent 6
20. Financial Information 7
21. Additional Covenants if Property is a Condominium Unit 7
22. Insurance for the Property 7
23. Property Taxes 8
24. Repair, Vacancy and Maintenance of Property 9
25. Obligations Regarding Construction 9
26. Your Obligations Regarding Environmental Matters 9
27. Further Assurances and Reservation of Rights 10

DEFAULT AND REMEDIES

28. Your Right to Quiet Possession 10
29. Events of Default 10
30. Acceleration on Default 11
31. Remedies on Default 11
32. Matters Relating to the Sale of the Property 12
33. Matters Relating to a Receivership 13

FEES, COSTS AND EXPENSES

34. Servicing Fees 14
35. Costs 14
36. Interest and Security for Fees and Costs 15

MISCELLANEOUS MATTERS

37. Delay, Waiver and Release of Property 15
38. Charge not a Substitute for any other Security 15
39. Judgments 15
40. Interpretation and Headings 15
41. Joint Signatures 16
42. Statutory Covenants 16
43. Demands and Notices 16

ASSIGNMENT OF RENTS

44. Assignment of Rents 16

GUARANTEE

45. Guarantee 17

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200228 Cote

PARTIES AND TERMS

1. **Parties to the Standard Charge Terms**. In this set of Standard Charge Terms, you, the Chargor, agree with us, the Chargee, to the following terms, representations and conditions for the charge of your Property. Charge means this set of Standard Charge Terms and the form of mortgage in which this set of Standard Charge Terms is referred to by its filing number and includes any schedule and addenda thereto. Phrases beginning with capitals such as Principal Amount, Balance Due Date and Interest Rate refer to the applicable information set forth beside those phrases in the Form 2 Charge/Mortgage of Land in which this set of Standard Charge Terms is referred to by its filing number and any amendment of the applicable information on renewal or otherwise from time to time.

MATTERS RELATING TO PAYMENT

2. **Your Covenant to Pay**. You charge the Property to secure and you covenant to pay to us the Principal Amount, interest and all fees and costs on the terms set out in this Charge or in any amendment, extension or renewal of the Charge and any additional amounts secured by this Charge on the terms elsewhere provided for such debts and liabilities.

3. **Your Obligation to Pay Without Set-off or Delay**. You agree to pay all amounts payable pursuant to this Charge and all additional amounts secured by this Charge without abatement, set-off or counterclaim. Should you make any claim against us either initially or by way of abatement, set-off or counterclaim, you agree that any such claim by you will not diminish or delay your obligations to make the payments as provided in this Charge and any such claims by you will not delay the exercise of any remedy and not be a defence to any claim by us against you under this Charge. And without limiting the generality of the foregoing, you agree that should you allege that life insurance or disability insurance should make payment in whole or of any part of the amount secured by this Charge, you will nevertheless be responsible for making all payments provided for under this Charge or any amendment, extension or renewal of the Charge or for any other amount secured by this Charge as they become due until the insurer or alleged insurer makes such payments. Should the insurer either deny that any payments are owing or take the position that there is no insurance coverage for any reason whatsoever including misrepresentation by or to you or by or to any agent or representative of the insurer or Chargee, your responsibility to make payments under the Charge shall continue and you will not make any claim for set-off, counterclaim or delay having anything to do with such insurance or application for any insurance.

4. **Application of Payments and Interest After Default**. All monthly payments when received will be applied first in payment of interest calculated at the Interest Rate, and second in payment of the principal except that if you are in default, we may apply any payments received during the period you are in default on such part of the indebtedness secured by this Charge as we may choose. If you are in default in payment of any amount including interest, interest will be payable on the interest and other arrears at the Interest Rate compounded monthly.

5. **No Obligation to Advance**. The preparation, execution or registration of this Charge will not bind us to advance the Principal Amount, nor will the advance of a part of the Principal Amount bind us to advance or readvance any other portion of the Principal Amount or to allow you to incur any other indebtedness or liability to us, but nevertheless the security on the Property will take effect immediately on execution of this Charge by you.

6. **Prepayment Privileges and Compensation**. The Charge is closed to prepayment except as follows:

   (a) **Annual 20% Prepayment**. Where the Charge secures a loan for a fixed term, you may, when not in default, on each anniversary of the Interest Adjustment Date prepay an amount not greater than 20% of the original Principal Amount of the fixed term loan. You may not prepay more than 20% of the original Principal Amount on any anniversary date, even though you may have prepaid less than 20% of that amount on a previous anniversary date;

(b) **Prepayment After Year 3**. You may also, at any time after the first three years of the term of the Charge or if renewed, after the first three years of the term of the last renewal of the fixed term loan secured by the Charge, prepay the full outstanding balance upon payment of the greater of:

(i) three months interest at your existing interest rate as set out in the Charge or, if renewed, in the agreement for the last renewal of the fixed term loan secured by the Charge; or,

(ii) the interest rate differential based on the difference between your existing interest rate as set out in the Charge or, if renewed, in the agreement for the last renewal of the fixed term loan and the then current rate for the term remaining on the Charge or renewal of the fixed term loan based on our posted rate for a mortgage loan for a term that is the next shortest to the remaining term of your Charge or if renewed, of the agreement for the last renewal of the fixed rate loan secured by the Charge

calculated on the full principal amount being repaid;

(c) **Prepayment After Default**. If we declare the Principal Amount or balance of the fixed term loan secured by the Charge payable upon the occurrence of an event of default under the Charge and the balance declared due is paid prior to the Balance Due Date or the maturity date of the last renewal of the fixed term loan secured by the Charge, you agree to compensate us for prepayment by payment of the greater of the amount determined in accordance with (i) and (ii) of paragraph 6(b) above;

(d) **Payment After Maturity**. Where there is default after the Balance Due Date or maturity date of the last renewal of the fixed term loan secured by the Charge, you may pay the outstanding principal amount of such loan only upon payment of three months interest calculated on the outstanding principal amount or three months written notice in lieu thereof;

(e) **Statements and Recovery of Amount**. You agree that the statements we issue of amounts calculated pursuant to paragraph 6(b), (c) and (d) shall, in the absence of obvious error, be conclusive. You further agree that we may recover amounts we determine due pursuant to paragraph 6(b), (c) and (d) from the proceeds of any sale of the Property or other proceedings for enforcement of the Charge.

7. **Time and Place for Payment**. All payments under this Charge must be made to us at such place as we designate to you from time to time. Each payment is to be made by 2:00 p.m. on the day on which it is due and payable. Any payment received by us after 2:00 p.m. will be deemed for the purpose of calculation and payment of interest, to have been made and received on the next day we are open for business.

8. **Preauthorized Payments**. Unless we otherwise agree, you will establish and make all regular payments as they become due pursuant to the Personally Approved Payment Service or other preauthorized payment method acceptable to us.

9. **Renewal**. You agree that where this Charge secures a loan for a fixed term, this Charge may be automatically renewed from time to time in the following manner:

Prior to the Balance Due Date of the Charge, and of each renewal term, we may, but we are not obligated to, send to you a notice of renewal setting forth the balance outstanding on the Charge and the interest rate, payment amount and the other terms and conditions on which the Charge may be renewed. Unless you pay the balance outstanding on the Charge, accept other renewal terms offered or make other arrangements in writing to extend payment by the Balance Due Date of this Charge or of any renewal or extended term of this Charge, you will be deemed to have accepted a renewal for a one year term on the terms set out in the notice of renewal. On any renewal, the amount of the payments being made pursuant to the Personally Approved Payment Service or other preauthorized payment mechanism will be adjusted accordingly.

Renewal fees not paid by such Balance Due Date will be added to the balance outstanding on the Charge and bear interest at the renewal rate.

No renewal or extension of time given by us to you shall in any way affect or prejudice our rights against you, the Guarantor or any other person. It shall not be necessary to register notice of any such renewal or obtain any consents or acknowledgements in order to retain priority for this Charge so altered over any subsequent encumbrance or instrument registered subsequent to this Charge.

10. **Fluctuating Account/Additional Debts Secured**. You agree that this Charge will secure all your indebtedness and liabilities from time to time to us. The Charge is a general and continuing security for the Principal Amount or the parts thereof actually advanced or readvanced from time to time and interest thereon at the Interest Rate and fees and expenses incurred pursuant to this Charge and for all other present and future debts and liabilities you may have with us, whether direct or indirect, absolute or contingent, incurred by you alone or with any other person, and interest thereon and charges, fees and expenses incurred with respect thereto.

No payment, no revolving or fluctuation of the indebtedness or liability, no change in the form of the indebtedness or liability nor acceptance or renewal or substitution of any note, instrument or other document evidencing or regarding any of the indebtedness or liability will constitute a reduction or discharge in whole or in part of the security of this Charge and the Charge will not cease to operate and will not be extinguished except as provided in paragraph 10 below.

11. **Discharge**. If you pay us the Principal Amount, interest and all the other amounts secured by this Charge in full and you notify us in writing that such payment is in final and permanent pay out of all your indebtedness and liabilities to us and request a discharge of this Charge, we will discharge this Charge. You will give us a reasonable time after payment in which to prepare and issue the discharge. You must pay our expenses of having it prepared and you will also be responsible for the cost of registering it.

COVENANTS AND WARRANTIES

12. **Title Warranty and Covenants**. You warrant and agree that:

(a) **Good Title**. You have (unless you have a leasehold title and paragraph 13 is applicable) good and marketable title in fee simple to the Property subject only to any prior registered charge, to which we have agreed in writing;

(b) **To Protect Title**. You will preserve your title to the Property and the validity and priority of this Charge and you will forever warrant and defend the same for us against the claims of all persons;

(c) **Authority to Charge**. You have the right to charge the Property to us;

(d) **Release of Claims**. You release to us all of your right, title, interest and claim to the Property subject to the right to discharge contained in paragraph 11 above.

13. **Additional Covenants if Property is a Leasehold**. If you have a leasehold interest in the Property, the Charge will not apply to the last day of the term of your lease or the term of any renewal or replacement of your lease. You will hold the last day of each term in trust for us and transfer it on our direction to any person acquiring such term. Our President, Secretary or any Vice-President is appointed your attorney with full power of substitution to complete such transfer. This appointment will not be terminated by your disability or death.

And furthermore, you warrant and agree that:

(a) you have good and marketable leasehold title to the Property;

(b) you have a good, valid and subsisting lease of the Property and you have given to us a full and complete copy of that lease;

(c) all rents and other monies payable under the lease have been paid and you are not otherwise in default under any obligation set out in the lease;

(d) you do not require the consent of the landlord to charge your leasehold interest in the Property, or if required, you have obtained the consent of the landlord to this Charge;

(e) you will pay rent and perform and observe all your other obligations under the lease;

(f) you will not encumber or surrender the lease or cause or allow it to be terminated or forfeited;

(g) you will not agree to any amendment of the lease without first obtaining our written consent; and,

(h) you will renew the lease as necessary to protect our interest and the Charge will extend to any such renewal.

14. **Fixtures, Additions, etc.**. You agree the Property includes all property of any kind that is at any time attached or fixed to the land or buildings or placed on and used in connection with them including all heating and cooling equipment such as furnaces, pumps, water heaters and air conditioners (central, window and other units), all cooking and refrigeration equipment, light fixtures, television antennae, satellite dishes, security systems, central vacuum, trees, shrubs and plants, as well as all alterations, additions and improvements to the buildings.

15. **Representations, Information, etc.** You warrant and represent that all representations made by you or anyone on your behalf in the application for mortgage loan and any other information you or the Guarantor have provided to us for our consideration in deciding whether to grant, amend or renew the mortgage loan or any other amount secured by this charge are true and correct at the time made or provided .

16. **Compliance With Building and Other Laws and Use.** Your use of the Property complies and you will continue to comply with all building and zoning by-laws and if a non-conforming use, you will continue such legal non-conforming use, unless we otherwise agree in writing. You will also comply with all other laws in your use and occupation of the Property and will not use or permit the Property to be used for any illegal, improper or immoral purpose or activity.

17. **No Other Mortgages or Liens**. You will not create or permit to exist any other mortgage, construction lien (other than any unregistered lien for work or supply to an improvement approved by us for an account not yet due) or other lien (other than for taxes and utilities not yet due) or other encumbrance against the Property without our prior written approval and if approved, without such other security holder agreeing to be fully subsequent in priority and subordinated in payment to all amounts that may from time to time be secured by this Charge.

18. **Payment of Taxes and Other Encumbrances**. You will also pay all taxes and other rates levied on the Property and all accounts for utilities supplied to the Property and all charges, mortgages, liens and other encumbrances on the Property when they are due and comply with your other obligations under them. You will, if we ask for it, immediately give us receipts showing that the taxes and other accounts have been paid.

19. **No Sale Without Consent**. You will not sell, transfer, lease or otherwise dispose of all or any part of the Property or any interest therein or if a corporation, permit a change in control, without our prior written approval and if approved, without such approved purchaser, transferee or lessee entering an assumption agreement in form satisfactory to us. Acceptance of any payments from a purchaser, transferee or lessee or after a change in control not approved in writing by us, shall not constitute an approval or waiver by us.

20. **Financial Information**. If the Property or any part is not your residence property, you will when so requested by us provide to us any and all financial information and statements related to the Property or your or the Guarantor's affairs.

21. **Additional Covenants if Property is a Condominium Unit**. The following provisions apply to any condominium unit that is part of the Property:

(a) Payment of Common Expenses and Compliance. You will pay all contributions to common expenses of the condominium as they become due and comply with the Condominium Act and the declaration, by-laws and rules of the corporation. You will provide us with proof of your payment and your compliance from time to time as we may request. You will forward to us as received copies of any notices, assessments, by-laws, rules and financial statements of the corporation. You will provide us, on request, with any other documents and information that you receive from the corporation or are entitled to receive.

(b) Repair. You will maintain all improvements made to your unit and repair them after damage.

(c) Insurance of Unit. You will insure all improvements which you or the previous owners have made to your unit. Furthermore, you will insure your common or other interest in buildings which are part of the condominium property or assets of the corporation, if the corporation fails to insure the buildings as required by the Act and the declaration, by-laws and rules of the corporation. These obligations are in addition to your obligations in this Charge under the heading Insurance for the Property as far as they apply to a condominium unit.

(d) Right to Vote - Proxy. You hereby assign to us and authorize us to exercise your rights under the Act to vote and to consent. If we do not exercise such rights, you may do so, but you will do so according to any instructions which we may give you from time to time. You also authorize us to inspect the corporation's records. Nothing done under this paragraph puts us in possession of the Property.

22. **Insurance for the Property**.

(a) **Fire and Other Perils**. You will cause the Property to be insured by an insurer and under a policy or policies satisfactory to us to an amount of not less than the full insurable value of the buildings and improvements on the Property. The insurance must be against the perils and extended perils usually covered in fire insurance policies, including but not limited to loss or damage by explosion, tempest, tornado, cyclone, earthquake and lightning.

(b) **Boiler Insurance**. If there is a boiler or other pressured vessel or a sprinkler system in any building on the Property, the insurance to be obtained by you must cover loss or damage caused by the boiler or other pressured vessel and equipment operated with it or caused by the sprinkler system;

(c) **Owner's Liability Insurance**. If the Property is used for commercial purposes, you must have comprehensive liability insurance for personal and property damage and losses occurring on or in respect to the Property for an amount per occurrence which we may specify to you in writing;

(d) **Rental Interruption Insurance**. If the Property is used for commercial purposes and we so request in writing, you must also have insurance against loss of rents and other income or payments to be made by tenants or others with respect to use of the Property or any part thereof from the risks covered by the other required insurance for 100% of the rents and other payments from the property or rental value for a period of at least twelve months from the date the claim arises;

(e) **Builder's All Risk**. During such time or times as there is construction of any buildings or other improvements on the Property, you will maintain builder's all risk insurance with a stated amount clause for the improvements for full insurable value.

(f) **No Co-Insurance**. The insurance may not contain co-insurance requirements;

(g) **Proof of Insurance**. Each policy of insurance shall contain mortgage clauses and loss payee clauses in a form satisfactory to us. You must on request deliver to us any policy of insurance on the Property. You must give us proof that you have obtained the insurance you are required to obtain and you must, at least 10 days before any insurance expires or is terminated, give us proof that you have arranged for such insurance to be renewed or replaced. If you fail in any way to comply with these obligations, we may (but we are not obliged to) obtain insurance on your behalf. If we think it is necessary, we can require you to cancel any existing insurance for the Property and provide other insurance which meets our approval;

(h) **Insurance Claims and Proceeds**. If loss or damage occurs, you will provide us with necessary proofs of claim and do everything else necessary to enable us to obtain payment of our interest in the insurance proceeds. You irrevocably appoint our President, Secretary or any Vice-President (with power of substitution) as your authority to sign on your behalf any documents required or to endorse on your behalf any cheques issued by any insurer with respect to any policy of insurance with respect to all or any part of the Property. Insurance proceeds may, in whole or in part, exclusively at our option, be used to rebuild or repair damaged buildings or be used to reduce all or part of the amount secured by this Charge;

(i) **Further Assignment**. You assign as additional security for your obligations under this Charge all interest in or under any insurance of any kind affected with respect to the Property and the proceeds thereof, whether or not placed in accordance with the requirements of this Charge.

23. **Property Taxes**.

(a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties levied on or payable with respect to the Property;

(b) if we so require, you agree to pay to us on each payment date under the Charge or any amendment or renewal thereof, sums sufficient, as determined by us, to enable us to pay the whole amount of taxes on or before the due date for payment of taxes or, if taxes are payable in instalments, on or before the due date for payment of the first instalment;

(c) if you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you shall pay to us an appropriate amount in addition to the amount referred to in paragraph (b) above;

(d) if the taxes on the Property in any calendar year exceed our estimate, you will pay us the difference on demand;

(e) you agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them;

(f) we do not have to hold any moneys which you send us under this paragraph in trust, nor pay interest on them, nor apply them to pay taxes more than once a year;

(g) should you default under any of your obligations in the mortgage, we do not have to use monies so received to pay taxes and we may, if we wish, apply such monies to any of your debts or liabilities to us;

(h) before or on the Interest Adjustment Date, we may withhold from any advance under the Charge any amount we feel necessary to pay or to anticipate future payments of taxes.

24. **Repair, Vacancy and Maintenance of Property**. You will maintain the Property in good order, condition and repair and will promptly make all necessary repairs, replacements, and improvements. You will not allow any part of the Property to become or remain vacant without our written consent You will not commit waste and will not remove, demolish or materially alter the Property or any part of it without our prior written consent. We may, whenever we feel it necessary, either by ourself or by our agent enter upon and inspect the Property and you shall pay the expenses associated with such inspection. If you, or anyone claiming under you, neglect to keep the Property in good condition and repair, or commit any act of waste on the Property, or do anything by which the value of the Property is diminished, as to all of which we shall be sole judge, we may (but we are not obliged to) enter the Property and effect such repairs or work as we consider necessary.

25. **Obligations Regarding Construction**. If any improvement (which includes construction, alteration, repair and demolition) is or is to be made to the Property, you must inform us in writing immediately if it has started, or otherwise before it is started and the plans and specifications must be approved by us. You covenant with us that if you fail at any time for a period of 10 business days to diligently carry on the work of construction of any building or buildings being or to be erected on the Property, or without our consent in writing, you depart in such construction from the plans approved by us or from the generally accepted standards of construction in the locality of the Property, or you permit any construction or similar lien to be registered against the Property, we may at our option at any time, through our agents or contractors, enter the Property and have exclusive possession of the Property and of all materials, plant, gear and equipment on the Property, free of interference by you and complete construction of the building or buildings either according to your plans approved by us, or according to such other plans, specifications or design as we in our discretion may choose. You shall pay all costs in connection with such construction.

26. **Your Obligations Regarding Environmental Matters**.

(a) To the best of your knowledge and belief, after due inquiry and investigation, no part of the Property contains, has ever contained or will in the future, except as provided below, contain any hazardous substances;

(b) We may require that you obtain from time to time at your expense an environmental audit report on all or any part of the Property, which report shall be satisfactory to us;

(c) You agree that any activities, operations or storage on any part of the Property that may involve hazardous substances will only be undertaken after full disclosure to us and with our approval. Any such activities, operations or storage will be in accordance with Environmental Laws and Regulations. You will on reasonable request from time to time provide us with satisfactory evidence of such compliance along with copies of all current permits and licenses necessary for the lawful operation or storage on the Property. Without limiting the generality of the foregoing, no use of any part of the Property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any hazardous substance on, from or under the Property or permit any policy of insurance in respect to the Property to be cancelled;

(d) You will promptly notify us as soon as you know of or suspect that any hazardous substance has been brought on to the Property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any hazardous substance on, from or under the Property whether from your activities or storage or from those of another property owner or carrier or from any other source;

(e) You will promptly remove any hazardous substances that are on the Property in any manner and from any source, other than for activities, operations and storage which we have permitted as provided above, and complete all remediation of the Property that may be required by reason of the presence of hazardous substances and that we may consider prudent, all in accordance with Environmental Laws and Regulations;

(f) You agree to indemnify us with respect to any and all costs and liabilities we may incur for investigations, remediation and other matters related to hazardous substances that are or may be on or about or suspected to be on or about any part of the Property or nearby property;

(g) Any environmental audit report you may provide to us or we may obtain or any other investigation we may conduct or any remedial or other work we or someone on our behalf may perform or any storage or use of hazardous substances on the Property we may permit will not relieve you from your obligations hereunder;

(h) The representations, covenants, agreements and indemnity made in this section shall survive satisfaction and discharge of the Charge, sale of all or any part of the Property or extinguishment of the Charge if we or our nominee becomes owner of the Property by foreclosure or otherwise following default;

(i) Hazardous substances refers to solid, gaseous or liquid waste and substances or conditions that are prohibited, controlled or otherwise regulated or that are otherwise hazardous in fact or that are considered potentially hazardous and Environmental Laws and Regulations mean all requirements of common law, statutes, by-laws, orders, permits and the like of any government or governmental authority relating to environmental, health, fire or safety matters.

27. **Further Assurances and Reservation of Rights**. You will, before or after default, execute any further documents and do such other acts with respect to any aspect of this Charge, at your own expense, as we may reasonably require.

You agree that no sale or other dealing by you with the Property or any dealing by us with the whole or any part of Property or with any person liable in any manner for the whole or any part of the amount secured by this Charge, shall in any way affect or prejudice our rights against you, the Guarantor or any other person liable to pay any amount secured by this Charge.

DEFAULT AND REMEDIES

28. **Your Right to Quiet Possession**. Until default by you under this Charge, you shall have possession and receive the rents and profits from the Property.

29. **Events of Default**. You will be in default under this Charge upon the happening of any of the following events:

(a) if you default in the payment of the Principal Amount, interest or any other amount secured by this Charge, when payment of such amount becomes due under the terms of this Charge or as elsewhere provided for any other amount secured by this Charge;

(b) if you default in the observance or performance of any term or covenant which you have agreed with us to observe or perform under this Charge or elsewhere;

(c) if any information or statement you or the Guarantor have given or made before, at or after signing the Charge, in respect of the Property or your or the Guarantor's affairs is incorrect or untrue at the time given or made;

(d) if you cease or threaten to cease to carry on in a sound businesslike manner the business you or the Guarantor ordinarily conduct on or with respect to all or any part of the Property;

(e) if the Property is a condominium unit or units, a vote authorizes termination of the condominium or the sale of all or substantially all of the condominium corporation's assets or its common elements or the condominium corporation fails to insure the unit and common elements;

(f) if a petition in bankruptcy is filed against you, if you make a general assignment for the benefit of your creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of your affairs or Property, or in our opinion, you become insolvent;

(g) if a construction or similar lien is registered against the Property or if default occurs under any other lien, charge or other encumbrance existing against the Property.

30. **Acceleration on Default**. If at any time you should be in default under this Charge, then the Principal Amount and interest and all amounts secured by this Charge shall, at our option, become due and payable immediately.

31. **Remedies on Default**. Upon the occurrence of any event of default, the Charge shall, at our sole option, be immediately enforceable (without thereby declaring the Principal Amount and other amounts secured by the Charge immediately due and payable unless we have in writing declared the same due and payable) and we may realize upon our security and enforce our rights (without notice to you except as specifically required by any term of this Charge or by any applicable statute) by the following remedies:

(a) **Possession**. We may enter into possession of the Property and occupy and use it without any objection from you. Our liability for the time in possession of all or any part of the Property shall be limited to an accounting for monies actually received by us;

(b) **Distrain**. We may distrain your goods for arrears of interest;

(c) **Lease**. We may lease all or any part of the Property with or without entering into possession of the Property;

(d) **Court Action**. We may take proceedings in any Court of competent jurisdiction for sale or foreclosure of all or any part of the Property;

(e) **Court Receiver**. We may take proceedings in any Court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a receiver and manager) of all or any part of the Property, and you hereby consent to a court order for such appointment;

(f) **Power of Sale**. We may with or without entering into possession sell all or any part of the Property pursuant to the power of sale in such manner as may to us seem best;

(g) **Receiver**. We may appoint in writing a receiver of the Property and of the rents and profits thereof. We may from time to time remove any such receiver and appoint another in its stead, and in making any such appointment or removal, we shall be deemed to be acting as the agent or attorney for you. The purpose of such appointment shall include the orderly management, administration and/or sale of the Property or any part thereof.

(h) **Abandoned Personal Property**. Any equipment (which is not part of the Property) or furniture or household or personal belongings which remain on the Property for a period of more than five days after we or a receiver take possession of the Property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we see fit. Removal, storage and other costs may be added to the amount secured by this Charge;

(i) **Performance of Your Covenants**. If you fail to perform any covenant or condition under this Charge, we may (but we are not obliged to) ourselves perform or cause to be performed the same at your expense. If we pay any taxes, utility accounts, charges, liens or other encumbrances, we shall be entitled to all equities and securities of the person or persons so satisfied and we may retain any discharge or cessation of charge unregistered until we are paid. We may rely on any statement of account or statement of non-performance which we reasonably believe to be correct without any subsequent challenge of any kind as to the correctness thereof by you.

We may exercise these rights and remedies from time to time separately or in combination and as often and in such manner as we see fit. They are in addition to and not in substitution for any other rights and remedies we may have at law, in equity or by statute, or under any other security or agreement with you.

32. **Matters Relating to the Sale of the Property**. The following terms shall apply to any sale:

(a) We may sell the whole or any part or parts of the Property by public auction or private contract, or partly one or partly the other;

(b) The sale may be conducted immediately upon the expiration of any redemption or reinstatement period required by law or at any time thereafter and we may delay the sale for such period of time as we consider to be in our best interest;

(c) We may sell on such terms as to credit and otherwise as shall appear to us most advantageous and for such prices as can reasonably be obtained and may make any stipulations as to title or evidence or commencement of title or otherwise which we consider appropriate;

(d) In the case of a sale on credit we shall be bound to pay you or any other person with a claim thereto or apply on account of the Principal Amount only such monies as have been actually received from the purchasers from time to time. After the satisfaction of all our claims, we are not bound to pay any amount to you or any other person claiming entitlement thereto until all such agreements and assurances as we consider fit have been executed and delivered;

(e) We may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby;

(f) Any person, including us, may bid on, tender for or purchase the Property at the sale;

(g) Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper. No want of any required notice or publication shall invalidate any sale or lease under this Charge and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the power of sale shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given; any person prejudiced by an unauthorized, improper or irregular exercise of the power shall have his or her remedy against the person exercising the power in damages only;

(h) Notice as provided for in this Charge shall be given to you in such manner and form and within such time as provided by the mortgages, land titles or other acts, as amended, in the province where the Property is located. Unless otherwise required, you agree that notice may be given by mailing it in a registered letter addressed to you or your legal representative at the last address known to us and shall be effective as of the date of mailing;

(i) All provisions of this Charge relating to a sale of the Property following default, including, without limitation, the persons to whom notice of exercising the power of sale shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising any power of sale or other sale remedy. Wherever any such requirement may be waived or shortened, such requirement is hereby waived and shortened. Wherever there is a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of any law, the provisions of such law shall govern.

33. **Matters Relating to a Receivership**. The following provisions shall apply with respect to the appointment of any receiver:

(a) a statutory declaration of any of our officers as to default under the provisions of this Charge shall be conclusive evidence thereof;

(b) we may from time to time fix the remuneration of any receiver;

(c) our appointment of a receiver or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not create any liability on our part to such receiver in any respect and shall not have the effect of constituting us a Chargee in possession in respect of the Property or any part thereof;

(d) the receiver shall be the irrevocable agent or attorney of you for the collection of all rents and other payments recoverable in respect to the Property, or any part thereof, whether in respect of any tenancies, licenses or other agreements created in priority to this Charge or subsequent thereto;

(e) the receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in your name for the purposes of securing the payment of rental and other income from all or any part of the Property;

(f) the provisions of Section 32 with respect to a sale by us shall, to the extent applicable, apply to any sale by the receiver;

(g) the receiver shall have full power to complete any unfinished construction upon the Property in such manner with such modifications as to it appear fit;

(h) the receiver shall, so far as concerns responsibility and liability for its acts and omissions, be deemed to be your agent or attorney and not ours;

(i) the receiver shall not be liable to account to you for monies or damages other than cash received by it in respect of the Property and out of such cash every such receiver shall pay, in the following order:

  (i) all payments made or incurred by it in connection with management, operation, amendment, repair, alteration or extension of the Property or any part thereof;

  (ii) its remuneration;

  (iii) all payments necessary to keep in good standing or satisfy and discharge all charges, liens and other encumbrances on the Property prior to this Charge;

  (iv) interest, costs and other charges accruing due under this Charge, principal owing under this Charge and other amounts secured by this Charge, to be applied to such parts thereof and in such order as we see fit.

FEES, COSTS AND EXPENSES

34. **Servicing Fees**. You agree to pay to us servicing fees to cover our reasonable time and costs for administration of the Charge including without limitation, a fee or allowance for

(a) dealing with each late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled

(b) preparing each assumption, arrears, reinstatement, discharge or other mortgage statement, whether provided to you, our agents or solicitors or any other interested person,

(c) processing each application to obtain our consent to assume the mortgage or our approval or consent for any other matter required by the Charge whether or not approval or consent is provided or the matter is completed,

(d) processing each extension, renewal, restructuring or other amendment of the Charge or amounts secured by the Charge, whether or not completed,

(e) investigating status of any insurance and administering insurance cancellations and paying insurance premiums,

(f) investigating status of realty tax payments and administering tax payments,

(g) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches,

(h) registering electronically or otherwise or executing and delivering any discharge of this Charge (notwithstanding that the discharge may have been prepared by you or other person on your behalf),

(i) the personal time and trouble of our employees or agents in collecting any payment or inquiring into compliance or otherwise reviewing or dealing with or enforcing any other obligation contained in this Charge or instructing and assisting counsel or other agents with respect to the enforcement of this Charge and any litigation in relation thereto or in managing or selling the Property including, without limitation, with respect to taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances, and

(j) generally, any matter connected with the proper administration of the Mortgage.

Our servicing fees shall be the amounts established and generally applied by us from time to time and may be disclosed in a Schedule to this Charge or ascertained upon inquiry to us.

35. **Costs**. You agree to pay us all amounts we expend and costs we incur in any manner in connection with this Charge including, without limitation, expenses in relation to:

(a) the making of the loan secured by this Charge and each amendment, extension or renewal thereof including preparation, execution and registration of the Charge and any other security, instrument and documents;

(b) collecting payments under and enforcing and realizing the security of this Charge;

(c) defending or otherwise dealing with any action or proceeding in which we by reason of the Charge may be a party or otherwise interested including without limitation any construction lien or similar matter, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter;

(d) performing or complying with any of your obligations under this Charge including, without restriction, those relating to insurance, condominium, repair and construction, leases, taxes, prior encumbrances and environmental matters.

All legal costs incurred by us will be paid by you in full (including legal fees as between the solicitor and his own client).

36. **Interest and Security for Fees and Costs**. All the above described fees and costs, allowances and expenses shall be secured by this Charge, shall bear interest at the Interest Rate from the date incurred or calculated by us and shall be payable by you forthwith on demand.

MISCELLANEOUS MATTERS

37. **Delay, Waiver and Release of Property**. You agree that we may in our discretion at any time release any part of parts of the Property or any other security or any surety for the whole or any part of the Principal Amount, interest and other amounts secured by this Charge either with or without any sufficient consideration, without responsibility or liability to you and without releasing any other part of the Property or any person from this Charge or from any of the covenants and without being accountable to you for the value of such released Property, securities or surety, or for any money except that actually received by us. Every part or lot into which the Property is or may be divided does and shall stand charged with the whole of the Principal Amount, interest and other amounts secured by this Charge.

We may delay in enforcing any of our rights under this Charge or the obligations secured or any agreement evidencing or securing the obligations secured without losing or impairing those rights. We can waive breach of your obligations under this Charge or under any related security or agreement without losing our rights in respect of any other breach of your obligations.

38. **Charge not a Substitute for any other Security**. You agree that this Charge shall not create any merger, rebate or discharge of any debt owing to us or of any lien, bond, note, instrument or other security now or subsequently held by us, whether from you or from any other party or parties and this Charge shall not in any way affect any security which may now or subsequently be held by us for the whole or any part of the Principal Amount, interest and other amounts from time to time secured by this Charge or the liability of any other person upon any such lien, bond, note, instrument or other security or contract or any renewal or renewals of the same held by us for or on account of the Principal Amount, interest and other amounts from time to time secured by this Charge or any portion thereof, nor shall our remedies be affected in any manner.

39. **Judgments**. If we obtain a court judgment against you for your failure to pay all or any part of the Principal Amount, interest and other amounts secured by this Charge or to perform any of your obligations to us under this Charge, the judgment will not result in a merger of any of your obligations under this Charge with the judgment or take away any of our other rights to enforce this Charge. We will continue to be entitled to receive interest on the Principal Amount, interest and the other amounts secured by this Charge at the Interest Rate, calculated and payable in the agreed way, and the judgment may so provide.

40. **Interpretation and Headings**. Wherever in this Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties so require. The headings do not form part of this document and have been inserted for convenience of reference only. This Charge shall be interpreted, enforced and governed by the laws of the province in which the Property is located. If any provision of this Charge shall be prohibited by or invalid under applicable law, such provision shall not invalidate the remaining provisions of this Charge. Nothing contained in this Charge shall require you to pay or for us to accept interest in an amount greater than that allowed by applicable law. In the event that the payment of interest or other amounts under this Charge would otherwise exceed the maximum amount allowed under applicable law or violate any law as to disclosure or calculation of interest charges, then your obligations to pay interest or other

charges shall be reduced or amended to the maximum rate or amount permitted under applicable law.

41. **Joint Signatures**. If more than one person makes this Charge, each person who makes it is jointly and severally bound to comply with all obligations of the Chargor under this Charge.

42. **Statutory Covenants**. The covenants contained in this Charge are additional and supplemental to and in the case of any conflict override the covenants set out in any statute regarding charges, including in Ontario Section 7(1) of the Land Registration Reform Act, R.S.O. 1990, c. L.4.

43. **Demands and Notices**. Unless otherwise provided in this Charge or prohibited by law, where this Charge allows or requires us to make a demand on or give a notice to any person (including you), we may make the demand or give the notice by delivering it to the person at the Property or person's last known address or by mailing it by prepaid registered mail addressed to the person at the Property or the person's last known address or by sending it by telefacsimile to the person's last known number and, where the person is a corporation, by so delivering or sending it to the last known address or number of a director, officer, employee or attorney of the corporation.

A notice or demand so delivered will be regarded as given or made when it is so delivered. A notice or demand so mailed will be regarded as given or made on the day after it is mailed and a notice so sent by telefacsimile on the day sent, in each case whether the person actually receives it or not, and if the day of receipt is not a day we and lenders generally are open for business, then the next business day.

ASSIGNMENT OF RENTS

44. **Assignment of Rents**. You agree with us as follows:

(a) You assign and set over to us all rents and other monies payable from time to time under all leases, licenses or other agreements in respect of any part of the Property, whether presently existing or arising in the future, together with the benefit of all covenants, terms and provisos contained in such lease, license or agreement;

(b) You will provide us with copies of all leases, licenses and agreements respecting the Property and you will notify us of any proposed lease, license or agreement. You may not make any lease, license or agreement to which we object in writing to you;

(c) Immediately after making any lease, license or agreement respecting any part of the Property, you will on our request execute and deliver to us an assignment in our usual and registrable form of all rents or monies payable under such lease, license or agreement, the benefit of all covenants, agreements and provisos contained in such lease, license or agreement on the part of the tenant, licensee, user or guarantor to be observed and performed and the reversion of such lease, and you will also execute and deliver to us all such notices and other documents as may be required in order to render such assignment effectual in law;

(d) Nothing shall make us responsible for the collection of rents or monies payable under any lease, license or agreement in respect of any part of the Property or for the performance of any covenants, terms or conditions contained in any such lease, license or agreement. Neither you or we will cause the tenant, licensee, user or guarantor under the lease, license or agreement to pay rent or monies to us unless and until you are in default;

(e) We shall not by virtue of this assignment or collection of any rents or monies thereunder be deemed a mortgagee in possession of the Property. You will perform and observe all of the landlord's covenants and obligations contained in each lease, license and agreement and will not collect rents more than one month in advance (other than monies held as security deposits);

(f) We shall be liable to account for only such rents and monies as actually come into our hands, less reasonable collection charges and all expenses, and may hold such rents in a collateral account and may apply such rents to the repayment of the Principal Amount, interest and other amounts secured by this Charge as we see fit; and

(g) Notwithstanding anything contained in this Charge, no lease, license or agreement respecting any part of the Property shall have priority over this Charge without our consent in writing.

GUARANTEE

45. **Guarantee**. Each person signing or joining in the Charge as a Guarantor agrees in consideration of our making the loan to you, as follows:

(a) The Guarantor, with you, as principal debtor and not as surety will duly pay or cause to be paid all amounts payable under this Charge on the days and times and in the manner provided for payment of the same;

(b) The Guarantor unconditionally guarantees full performance and discharge of all your obligations under the provisions of this Charge at the times and in the manner provided in this Charge;

(c) The Guarantor indemnifies and saves us harmless from and against all losses, damages, costs and expenses which we may sustain, or incur or be or become liable for by reason of:

  (i) the failure for any reason whatsoever by you to pay the amounts payable under this Charge or to do and perform any other act, matter or thing required by the provisions of this Charge; or

  (ii) any act, action or proceeding, of or by us, for, or in connection with, the recovery of the amounts payable under this Charge by you, or enforcing the performance by you or any other person liable under this Charge of any act, matter or thing required by the provision of this Charge;

(d) We shall not be obliged to proceed against you or any other person liable under this Charge or to enforce or exhaust any security before proceeding to enforce the obligations of the Guarantor set out in this paragraph and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any of your debts or obligations under this Charge or the enforcement of any security for any such debt or obligation;

(e) We may, without notice to and the consent or approval of the Guarantor, grant extensions of time for payment, make renewals, increase, vary and amend the Interest Rate, the Principal Amount and other terms of the Charge and the indebtedness secured by the Charge, release the whole or any part of the Property or other security from this Charge, or otherwise deal with you, any of the indebtedness secured by this Charge or the Property or other security as we see fit without releasing or lessening the liability of the Guarantor;

(f) The Guarantor agrees to be bound by each such renewal, variation and amendment of any terms of the Charge we make with you and each reference to the Charge in this Guarantee paragraph shall mean the Charge as so renewed and amended from time to time, regardless of whether made with or without the knowledge, consent or approval of the Guarantor;

(g) No delay or carelessness or neglect by us in asserting any of our rights, nor the loss of any right by operation of law, nor the loss or destruction of any security, nor the lack of validity or enforceability of all or any part of this Charge or any other security held for or any document evidencing any part of the indebtedness or liability secured by the Charge will in any way release or lessen the liability of the Guarantor;

(h) The Guarantor has read this Charge and is fully aware of and agrees with its terms and in particular, the terms of this Guarantee;

(i) Where there is more than one Guarantor, each Guarantor is jointly and severally responsible under this guarantee with the other Guarantor(s) and you;

(j) We may serve notice on the Guarantor and any notice to the Guarantor shall be deemed received in the same manner as provided for notice to you in this Charge.

DATED the 22nd day of October, 2002

HOME TRUST COMPANY
by its solicitors
GOWLING LAFLEUR HENDERSON LLP
Per
Harry R. VanderLugt

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200228 Cote

STANDARD CHARGE TERMS
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Filing No. 200229 Cote
Filing Date Oct. 28, 2002 Date de Dépôt
Page 1 of/de Twenty-One (21) Pages
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by: Korea Exchange Bank of Canada

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing numbers, as provided in Section 9 of the Act.

1. Definitions

In this set of Standard Charge Terms:

(a) **Amount of Each Payment** means the Amount of Each Payment set out in this Charge;

(b) **Balance Due** Date means the Balance Due Date set out in this Charge and this shall be the same date as the Last Payment Date;

(c) **Bank** means Korea Exchange Bank of Canada (the "Bank");

(d) **Charge** means this Charge/Mortgage of Land made pursuant to the *Land Registration Reform Act,* 1984 and any amendments thereto, to which the Chargor and the Chargee are parties and which is dated as of the date of signature of the first named Chargor who signs this Charge;

(e) **Chargee** means the Bank;

(f) **Chargor** means each Chargor described in this Charge;

(g) **Costs** means the fees, costs, disbursements, charges and expenses of the Bank of and incidental to (1) the preparation, execution and registration of the Charge and any other instruments connected herewith and every renewal hereof; (2) the collection, enforcement, realization of the security herein contained; (3) procuring payment of the Indebtedness due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Bank or any other party; (4) any inspection required to be made of the Property; (5) all necessary repairs required to be made to the Property; (6) the Bank's having to go into possession of the Property and secure, complete and equip the building or buildings in any way in connection therewith; (7) the Bank's renewal of any leasehold interest; (8) the exercise of any of the powers of a receiver contained herein; and (9) all solicitor's costs whatsoever, costs and expenses of any necessary examination of the title to and of valuation of the Property. Costs shall (1) extend to and include all legal costs whatsoever incurred by the Bank as between solicitor and his own client; (2) be payable forthwith by the Chargor; (3) bear interest at the Interest Rate; and (4) be a charge on the Property;

(h) **Covenantor** means each covenantor described in this Charge;

(i) **First Payment Date** means the First Payment Date set out in this Charge;

(j) **Fixtures** include but are not limited to furnaces, boilers, oil burners, stokers, water heaters, electric light fixtures, screen and storm doors and windows, air conditioning, plumbing, cooling and heating equipment and all apparatus and equipment appurtenant to the Property;

(k) **Guarantor** means each guarantor described in this Charge;

(l) **Indebtedness** means all moneys and liabilities matured or not, whether present or future, direct or indirect, absolute or contingent, now or at any time hereafter owing or incurred, wheresoever or howsoever incurred from or by the Chargor, as principal or surety, whether alone or jointly with any other person and in whatever name, style or form, whether otherwise secured or not and whether arising from the dealings between the Bank and the Chargor or from other dealings or proceedings by which the Bank may become a creditor of the Chargor including, without limitation, advances upon any overdrawn account or upon bills of exchange, promissory notes or other obligations discounted for the Chargor or otherwise, all bills of exchange, promissory notes and any other obligation negotiable or otherwise representing money and liabilities or any portion thereof, now or hereafter owing or incurred from or by the Chargor and all interest, damages and Costs, and all premiums of insurance upon the buildings, Fixtures and improvements now or hereafter brought or erected upon the said Property which may be paid by the Bank and Taxes;

(m) **Interest Adjustment Date** means the date on which the term of this Charge begins and which is the Interest Adjustment Date set out in this Charge or any other date which the Chargor and Chargee agree in writing will be the Interest Adjustment Date;

(n) **Interest Rate** means the Interest Rate set out in this Charge which is an annual percentage rate calculated monthly, not in advance;

(o) **Last Payment Date** means the Last Payment Date set out in this Charge and this shall be the same date as the Balance Due Date;

(p) **Monthly Instalment** means the Amount of Each Payment, which payment includes principal and interest and, if applicable, taxes;

(q) **Payment Date** means the first day of each and every month from and including the First Payment Date to and including the Last Payment Date;

(r) **Principal Amount** means the Principal Amount in lawful money of Canada set out in this Charge (that is outstanding from time to time under this Charge);

(s) **Property** means the property identified in this Charge by the Property Identifier(s), if any, and described in the description therein and in a Schedule to this Charge, if required, and includes all buildings, Fixtures and improvements now or hereafter brought or erected upon;

(t) **Spouse of Chargor** means each Spouse of Chargor described in this Charge;

(u) **Tax Account** means an account on the Bank's books of account, relating to this Charge to which all payments made by the Chargor to the Bank pursuant to paragraph 12 may, at the option of the Bank, be credited (as to which account the Bank shall not be a trustee);

(v) **Taxes** means all taxes, rates and assessments, municipal, local, parliamentary or otherwise;

If the Property is a condominium unit, the following definitions apply;

(w) **Declaration** means the Declaration which, together with a description, was registered pursuant to the *Condominium Act* (Ontario), as amended from time to time, to create the Condominium Corporation;

(x) **Condominium Corporation** means the Condominium Corporation which was created by the registration of the Declaration and the description relating thereto of which the Property hereby charged constitutes a part; and

(y) **Common Expenses** means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses specified as common expenses in the *Condominium Act* (Ontario), as amended from time to time, or in the Declaration.

2. Charge of Property

In return for the Bank making a loan to the Chargor in the Principal Amount, the receipt of which is hereby acknowledged by the Chargor, the Chargor:

(a) if the Property is freehold property, hereby charges the Property to the Bank; or

(b) if the Property is a leasehold interest, hereby charges and sub-leases the Property to the Bank for and during the unexpired residue of the term of the lease, except the last day thereof, and all other estate, term, right of renewal and other interest of the Chargor in the lease;

to secure the repayment of the Indebtedness and the performance of all of the obligations of the Chargor contained herein. The Chargor hereby releases to the Bank all its claims on the Property until the Chargor has repaid the Indebtedness and performed all of the obligations of the Chargor in the manner provided by this Charge.

3. Interest

The Chargor hereby agrees:

(a) To pay the Bank interest on the Principal Amount at the Interest Rate, which shall be payable monthly. This Interest Rate is payable on the Principal Amount both before and after the Balance Due Date as well as both before and after default, maturity and judgment until the Principal Amount has been repaid in full;

(b) In case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof, to pay the Bank compound interest on any interest that is payable on any Payment Date, and which is not paid when due. Compound interest shall be payable on the arrears of interest at the Interest Rate both before and after the Balance Due Date. If the interest and compound interest are not paid in six months from the time of default, a rest shall be made and compound interest at the Interest Rate shall be payable on the aggregate amount of interest and compound interest then due as well after as before the Balance Due Date and so on from time to time; and

(c) That all interest and compound interest shall be a charge on the Property.

4. Repayment of the Loan

The Chargor hereby agrees:

(a) To repay the Principal Amount and all interest to the Bank in accordance with the terms of this Charge at its Head Office in Toronto, Ontario, or such other place as the Bank may from time to time designate in writing;

(b) To pay the Bank interest at the Interest Rate monthly, on the amounts from time to time advanced, computed from the respective dates of such advances and such payments of interest shall be made on the first day of each and every month commencing with the month next following the month in which the first advance is made and continuing to and including the Interest Adjustment Date, unless postponed by the Bank or advanced by mutual agreement in writing; and

(c) Thereafter, to pay the Bank the Principal Amount together with interest thereon at the Interest Rate computed from the Interest Adjustment Date, which shall become due and be paid in Monthly Instalments commencing on the First Payment Date and thereafter on each Payment Date to and including the Balance Due Date at which time the balance of the Principal Amount, if any, and the interest thereon shall become due and be paid.

5. Application of Monthly Instalments

Each Monthly Instalment will be applied first, to pay interest calculated as provided above on the Principal Amount from time to time outstanding, and the balance of the said Monthly Instalment shall then be applied to reduce the Principal Amount.

6. Prepayment

The Chargor may prepay the indebtedness owing to the Bank in accordance with the terms contained in a Schedule to the Charge, if any.

7. Renewal, Amendment and Assumption of the Charge

The Chargor hereby agrees with the Bank that:

(a) Any agreement in writing between the Chargor and the Bank subsequent to the date of registration of this Charge, relating to the payment of the unpaid Indebtedness, or to the Interest Rate, or to both, need not be registered in any land registration office. Such agreement shall be effectual and binding on the Property and upon the Chargor, the Bank and upon any encumbrancer or transferee of the Property, or any part thereof, acquired subsequent to the date of registration of this Charge and shall have priority over any subsequent charge, encumbrance or transfer of the Property, to the same extent and effect as if such agreement in writing had been executed, delivered and registered in the appropriate land registration office prior to the making of such subsequent charge, encumbrance or transfer.

(b) No agreement for renewal hereof or for extension of the time for payment of the Indebtedness hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Bank after the expiration of the Balance Due Date or of any subsequent term agreed to in writing between the Chargor and the Bank, and that no renewal hereof or extension of the time for payment of any Indebtedness hereunder shall result from, or be implied from, any other act, matter or thing, save only an express agreement in writing between the Chargor and the Bank.

(c) The Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge, provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor.

(d) If the Property is a leasehold interest, no sale or other dealing by the Chargor with the lease or the Property or any part thereof and no extension of time given by the Bank to the Chargor, or anyone claiming under the Chargor or any other dealing by the Bank with the owner of the lease or any part thereof, shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable to repay the Indebtedness hereby secured.

(e) In the event the Chargor sells, conveys, transfers or enters into any agreement of sale or transfer of the title of the said Property (in this paragraph "Conveys") to a purchaser, grantee or transferee (in this paragraph "Purchaser") who intends to assume the Charge and who is not approved by the Bank, then the Bank may at its option in writing demand repayment of all Indebtedness hereby secured with accrued interest thereon at the Interest Rate.

(f) If the Purchaser who intends to assume this Charge fails to:

   (i) apply for and receive the written consent of the Bank, with or without conditions; and

   (ii) personally assume all the obligations of the Chargor, or sign the assumption agreement of the Bank, then the Bank may at its option and in writing demand repayment of the Principal Amount of this Charge with accrued interest thereon. If the Chargor Conveys to a Purchaser who does not intend to assume this Charge, the prepayment provisions referred to in paragraph 6 of this Charge will apply.

No change of ownership of the Property shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable for payment of the Indebtedness hereby secured.

8. No Obligation to Advance

Neither the preparation, execution or registration of this Charge shall bind the Bank to advance the Principal Amount intended to be secured hereby. Nor shall the advance of a part of the Principal Amount bind the Bank to advance any unadvanced portion thereof, but nevertheless the interest hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor.

9. Payments the Bank can make

The Bank may pay the amount of any rent or satisfy any lien, rate, encumbrance or other charge now or hereafter existing or to arise or to be claimed upon the Property or any part thereof and any sum so paid shall unless paid out of the Principal Amount advanced on the security of this Charge be payable forthwith by the Chargor, and in any case the Bank shall be entitled to all the equities and securities of all persons so paid and is hereby authorized to retain any discharge unregistered until paid.

10. Repayment of Additional Payments

The Chargor hereby agrees with the Bank that the Indebtedness payable hereunder, other than the Monthly Instalments hereinbefore provided for and such monthly payments with respect to Taxes and Common Expenses (if the Property is a condominium unit) as may from time to time be required, shall be payable forthwith by the Chargor without demand therefor, shall bear interest at the Interest Rate calculated in the manner hereinbefore provided and shall be added to the Principal Amount hereby secured and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured.

11. Costs of Charge

The Chargor hereby agrees to pay the Costs to the Bank.

12. Taxes

The Chargor agrees with the Bank to pay promptly as they fall due all Taxes which now are or may hereafter be imposed, charged or levied upon the Property and will forthwith provide the Bank with evidence satisfactory to it of payment thereof, and without in any way limiting or restricting the generality of the foregoing obligations and any other obligation of the Chargor, the Chargor hereby agrees with the Bank that:

(a) The Bank may pay out of and deduct from any advance of the Principal Amount hereunder any such Taxes, the whole or any instalment of which has or will become payable at the Interest Adjustment Date;

(b) Whenever and so long as the Bank so requires, the Chargor shall on each Payment Date including the First Payment Date and the Last Payment Date pay to the Bank in addition to all other payments hereby required to be paid by the Chargor, such sum as the Bank may from time to time estimate to be required in order to provide funds sufficient to pay in full all such Taxes in each year at the time when such Taxes or the first instalment thereof becomes payable and shall transmit to the Bank all tax bills and other notices relative to the imposition of Taxes on the Property immediately after receipt thereof by the Chargor;

(c) All payments so made by the Chargor to the Bank pursuant to this paragraph 12 shall at the option of the Bank be either credited to the Tax Account or applied against Indebtedness owing hereunder if the Chargor is in default hereunder;

(d) If and so long as the Bank requires such additional payments to be made, the Bank shall so long as there is no default hereunder pay all such Taxes as they fall due or at such earlier time as the Bank deems fit and the amount thereby expended shall be debited against the Tax Account to the extent that the amount in the Tax Account is sufficient and the Bank may at its option either debit to the Tax Account or add to the Principal Amount hereby secured the amount, if any, by which the Tax Account is insufficient;

(e) Any debit balance from time to time in the Tax Account shall bear interest at the Interest Rate and shall together with such interest be secured hereby but nothing contained herein shall render the Bank liable to allow or pay interest on any credit balance from time to time in the Tax Account; and

(f) The amount, if any, by which the aggregate of all Taxes which have been paid by the Bank exceeds at any time and from time to time the aggregate of all payments which have been made by the Chargor to the Bank pursuant to this paragraph 12, shall be payable by the Chargor forthwith on demand hereof and at any time and from time to time.

13. Covenants of Chargor

The Chargor hereby covenants and agrees with the Bank as follows:

(a) Exclusion of subsection 7(1) of the *Land Registration Reform Act,* 1984

The covenants deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act,* 1984, shall be and are hereby expressly excluded from the term of the Charge. The Chargor shall, before or after default, execute such further assurances of the Property and do such other acts, at the Chargor's expense, as may be reasonably required;

(b) To Pay and Observe Covenants

That the Chargor, his heirs, executors, administrators and successors or some or one of them shall pay or cause to be paid to the Bank, its successors and assigns, without deduction or abatement the principal money secured by the Charge with interest at the Interest Rate at the times and in manner therein limited for payment thereof, and shall do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Property or in respect thereof, no matter by whom or by what authority imposed, which the Bank has paid or has been rendered liable to pay and shall also pay all other sums as the Bank may be entitled to under the Charge.

(c) For Good Title

That the Chargor, at the time of execution and delivery of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Property free of any trusts, reservations, limitations, encumbrances, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(d) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Property with their appurtenances unto the Bank, its successors and assigns, in the manner set out in the Charge.

(e) Assignment of Leases and Rent

(i) The Chargor hereby assigns and sets over to the Bank as additional security for payment of the Indebtedness and the performance of the covenants herein contained, any present or future lease which may be granted by the Chargor (and all rents or monies payable from time to time thereunder together with the benefits of all covenants, agreements and provisos contained in the said leases) as to the whole or any portion of the Property and agrees to deliver to the Bank executed copies of all such leases at the written request of the Bank. The Chargor covenants to perform and comply with all lessor's covenants contained in any leases assigned by the Chargor to the Bank. Notwithstanding the assignment or assignments of any lease or leases by the Chargor to the Bank, it is nevertheless declared and agreed that none of the rights or remedies of the Bank under this Charge shall be delayed or in any way hindered or prejudiced by such assignment or assignments or by any act of the Bank pursuant thereto.

(ii) Forthwith upon the request of the Bank after making any lease of the Property or any part thereof the Chargor shall execute and deliver to the Bank an assignment in registrable form in the Bank's usual form of all rents payable under such lease, the benefit of all covenants, agreements and provisos therein contained on the part of the tenant to be observed and performed and the reversion of such lease, and shall also execute and deliver to the Bank all such notices and other documents as may be required in order to render such assignment effectual in law;

(iii) Nothing herein contained shall make the Bank responsible for the collection of rents payable under any lease of the Property or any part thereof or the performance of any covenants, terms or conditions contained in such a lease;

(iv) The Bank shall not by virtue of these presents be deemed a mortgagee in possession of the Property;

(v) The Bank shall be liable to account for only such rents as actually come into its hands less reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness as evidenced by this Charge and any amending, renewal or modification agreement; and

(vi) Notwithstanding anything herein contained no lease of the Property or any part thereof made by the Chargor without the consent in writing of the Bank shall have priority over this Charge.

(f) Quiet Possession on Default

That from and after default in the payment of the principal money mentioned in the Charge, or the interest thereof, or any part thereof, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Bank, it successors and assigns, peaceably and quietly, to enter into, have, hold, use, occupy, possess and enjoy the Property or intended so to be, with their appurtenances, without let, suit, hindrance, interruption or denial of the Chargor, his heirs, executors, administrators, successors or assigns, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Property or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizances and of any other charges or encumbrances whatsoever.

(g) Further Assurances

That from and after default shall happen to be made of or in the payment of the principal amount, or the interest thereon, or any part of the principal or interest, as set forth in the Charge or of or in the doing, observing, performing, fulfilling or keeping of some one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning hereof, then and in every such case the Chargor, his heirs, executors, administrators, successors or assigns and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Property, by, from, under or in trust for him, shall and will, from time to time, and at all times thereafter, make, do, suffer and execute or cause or procure to be made, done, suffered and executed, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the Property unto the Bank, its successors and assigns, as by the Bank, its successors and assigns, or its or their solicitor shall or may be lawfully and reasonably devised, advised, or required.

(h) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or wilfully or knowingly suffered an act, deed, matter or thing whatsoever whereby the lands described in the Charge or intended so to be, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(i) Insurance

(i) That the Chargor shall forthwith insure and during the continuance of the Charge keep insured in favour of the Bank against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Bank might require to the full extent of their replacement cost in lawful money of Canada (and to an amount not less than the Principal Amount plus any prior encumbrances), each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Bank might require depending on the nature of the Property or the use thereof, in a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Bank as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Bank and the Chargor will forthwith assign, transfer and deliver over unto the Bank the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Bank at least fifteen (15) days before the termination of any insurance, evidence of renewal thereof, the Bank shall be entitled but shall not be obliged to insure the said buildings or any of them, and if the Bank shall pay any premiums or sums of money for insurance for the premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Interest Rate from the time of such payments and shall payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Bank to obtain payment of the insurance monies and the production of the Charge shall be sufficient authority for the said insurance company to pay any such loss to the Bank, and the said insurance company is hereby directed thereupon to pay the same to the Bank; and any insurance monies received may, at the option of the Bank, be applied in rebuilding, reinstating or repairing the Property or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Bank, in whole or in part on the Charge debt or any part thereof whether due or not then due.

(ii) If the Property is part of a condominium the insurance provisions set out in paragraph (a) above will not apply and the following shall apply instead:

The Chargor or the Condominium Corporation or both of them shall forthwith insure and during the continuance of the Charge keep insured in favour of the Bank against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Bank might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Bank might require depending on the nature of the Property or the use thereof, in a company or companies approved by the Bank; and the Chargor or the Condominium Corporation or both of them will forthwith assign, transfer and deliver unto the Bank the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Bank at least fifteen (15) days before the termination of any insurance, evidence of renewal thereof, the Bank shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the *Condominium Act* and by the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

(j) Repair and Maintenance of Property

The Chargor covenants with the Bank that the Chargor will keep the Property in good condition and repair. The Bank may, whenever it deems it necessary, by it agent enter upon and inspect the Property and the Chargor shall pay the Costs associated therewith. If the Chargor or anyone claiming under him neglects to keep the Property in good condition and repair or commits any act of waste on the Property or does anything by which the value of the Property shall be diminished, as to all of which the Bank shall be sole judge or makes default as to any of the covenants or provisos herein contained, the Indebtedness shall, at the option of the Bank, forthwith become due and payable. In default or payment such repairs as it deems necessary and the Costs therefore shall be paid by the Chargor.

(k) Obligation to Build Diligently

The Chargor covenants with the Bank that if the Chargor fails at any time for a period of ten days to diligently carry on the work of the consent in writing of the Bank of from the generally accepted standards of construction in the locality of the Property, or permits any construction or other lien to be registered against the Property for any period exceeding thirty days, the Bank at its option any time thereafter though its agents or contractors may enter the Property and have exclusive possession thereof and of all materials, plant, gear and equipment thereon free of interference from or by the Chargor and complete the construction of the building or buildings either according to the said plans and specifications or according to other plans, specifications or design as the Bank in it absolute discretion shall elect. All Costs in connection therewith shall be payable by the Chargor.

14. Additional Covenants if Property is a Leasehold Interest

If the Charge relates to a leasehold interest, the Chargor further covenants with the Bank that:

(a) The Chargor has a good leasehold title to the Property;

(b) The Chargor has a right to charge and sublet the leasehold title to the Property to the Bank in the manner herein provided and, if required, has obtained the lessor's consent to this Charge;

(c) Neither the Chargor nor any other person has heretofore made, done, committed or suffered any act to encumber the lease or any part thereof;

(d) The lease is a good, valid and subsisting lease and not surrendered, forfeited, amended or become void or voidable and the rents and covenants reserved have been duly paid and performed by the Chargor up to the date of signature of the Chargor;

(e) During the continuance of this Charge, the Chargor shall not amend, surrender or modify the lease without the written consent of the Bank and shall pay the rent reserved by the lease and perform and observe the covenants, provisos and conditions contained in the lease and on the lessee's part to be performed and observed and hereby agrees to keep the Bank indemnified against all actions, claims and demands whatsoever in respect of the said rent and covenants or anything related thereto; and

(f) The Chargor shall stand possessed of the Property for the last day of the term or any renewal term granted by the lease in trust for the Bank, and shall assign and dispose thereof as the Bank may direct, but subject to the same right of redemption and other rights as are hereby given to the Chargor with respect to the derivative term hereby granted.

(g) If the Chargor shall refuse or neglect to renew the lease or any renewals thereof granted hereafter, then, and as often as it shall happen, the Bank may, in its sole discretion, effect such renewals in the name of the Chargor, or in the Bank's name or otherwise, and every renewal of the lease shall remain and be security to the Bank for the Indebtedness. All costs in connection therewith shall be payable by the Chargor.

15. Additional Covenants if property is a Condominium Unit

If the Charge is of land within a Condominium the following provisions shall also apply:

(a) If the Property is or includes a condominium unit, then and to that extent, this Charge is made pursuant to the *Condominium Act* (Ontario), as enacted and/or amended from time to time.

(b) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on him by the *Condominium Act* and by the Declaration and the By-laws, as amended from time to time, of the Condominium Corporation, by virtue of his ownership of the said lands. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.

(c) Without limiting the generality of the foregoing, the Chargor covenants and agrees that he shall pay promptly when due any contributions to Common Expenses required of him as an owner of the said lands and in the event of his default in doing so the Bank, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Property and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Bank whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

(d) The Chargor hereby irrevocably authorizes and empowers the Bank to exercise the right of the Chargor as an owner of the said lands to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

(i) The Bank may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Bank does not intend to exercise the said right to vote or consent and in that event until the Bank revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.

(ii) The Bank shall not by virtue of the assignment to the Bank of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.

(iii) The exercise of the right to vote or consent or not to consent shall not constitute the Bank a mortgagee in possession.

(iv) The Chargor will transmit to the Bank forthwith upon the demand of the Bank satisfactory proof that all Common Expenses assessed against or in respect of the said Property have been paid as assessed.

(v) The Bank may pay out of and deduct from any advance of the Principal Amount secured hereunder all contributions to the Common Expenses assessed against or in respect of the said Property which have become due and payable and are unpaid at the date of such advance.

(vi) Whenever and so long as the Bank so requires the Chargor shall on or before the date when any sum becomes payable by the Chargor in respect of Common Expenses pay such sum to the Bank. The Bank shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Chargor or as the Condominium Corporation may from time to time direct.

16. Chargor's Quiet Possession until Default

It is hereby agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor, his heirs, executors, administrators, successors and assigns, peaceably and quietly to have, hold, use, occupy, possess and enjoy the Property, and receive and take the rents and profits thereof to his and their own use and benefit, without let, suit, hindrance, interruption, or denial by the Bank, its successors or assigns, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for it, them or any or either of them.

17. Bank May Appropriate Payments to any Debt

It is hereby agreed that the Bank shall have the right at any time to appropriate any payment made as a temporary or permanent reduction of any portion of the Indebtedness whether the same be represented by open account, overdraft or by any bills, notes or other instruments and whether then due or to become due and may from time to time revoke or alter such appropriation and appropriate such payment as a temporary or permanent reduction of any other portion of the Indebtedness as in its sole and uncontrolled discretion as it may see fit.

18. Continuing Security

It is hereby agreed that this Charge may secure a current or running account and shall stand as a continuing security to the Bank for the payment of Indebtedness and all interest, damages and Costs which may become due or payable to the Bank notwithstanding any fluctuation or change in the amount, nature or form of the Indebtedness or in the bills, notes or other obligations now or hereafter representing the same or any portion thereof or in the names of the parties to the said bills, notes or obligations or any of them.

19. Principal Due on Default

It is hereby further expressly declared and agreed, that if:

(a) any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or

(b) in payment of any instalment of principal as the same mature or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Bank in respect of or representing or securing the money hereby secured or any part thereof, or

(c) in the performance of any covenant, proviso or agreement herein contained, or

(d) if any waste be committed or suffered on the Property,

then at the option of the Bank, the principal money secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time herein mentioned for payment of such principal money had fully come and expired, subject to any relief afforded to the Chargor at law. The Bank may, however, waive its right to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

20. Remedies of Chargee on Default

It is hereby provided that:

(a) The Bank on default of payment for 15 days may on 35 days notice enter on and sell the Property or, on default of payment for 15 days may on 35 days notice lease the Property or, if the Chargor is a lessee of the Property, enter on and hold and enjoy the Property for the residue of the term of years hereby demised for its own use and benefit, without the let, suit, hindrance, interruption or denial of the Chargor or any other person;

(b) Whenever and to the extent that it is permitted from time to time by the laws of the Province of Ontario the foregoing power of sale or lease may be exercised without notice or with less or different notice than that hereinbefore specified or otherwise;

(c) If the Property is a leasehold interest, the Chargor hereby irrevocably appoints the Bank as the Chargor's substitute to be the Chargor's attorney during the continuance of this security. In the event of default and on giving the notice contemplated herein to the Chargor for and on behalf of the Chargor, the Bank may assign the lease and convey the Property and the last day of the term granted by the lease as the Bank shall at any time direct, and in particular, upon any sale made by the Bank under the statutory power or power of sale herein contained, to assign the lease and convey the Property and the said reversion to the purchaser. It is hereby declared that the Bank or other person for the time being entitled to the Indebtedness may at any time, by deed, remove the Chargor or any other person from being a trustee of the lease under the declaration of trust hereinbefore declared and on the removal of the Chargor or any future trustee of the lease, appoint a new trustee or trustees in the Chargor's place;

(d) If the Property is a leasehold interest, the Chargor shall, with respect to the lease at the request of the Bank, but at the cost, charge and expense of the Chargor, grant and assign unto the Bank, or whom it may appoint, the last day of the said term hereinbefore excepted or any renewal or substituted term; and further, in the event of the Bank making any sale under the power of sale herein contained the Chargor shall stand seized and possessed of the Property for the last day of the said term hereinbefore excepted, and of any renewal or substituted term, and of all rights of renewal in trust for the purchaser or purchasers, his or their heirs, executors, administrators, successors and assigns;

(e) In the event of default by the Chargor, the Bank may sell the Property or any part thereof or, if the Property is a leasehold interest, sell the unexpired term of years demised by the lease or any part thereof by public auction or private sale and on such terms as to credit and otherwise as shall appear to it most advantageous, and for such price as can be reasonably obtained therefor, and may make any stipulations as to title or otherwise which it shall think proper; and may buy in or rescind or vary any contract for the sale of any of the Property, and re-sell without being answerable for any loss or damages occasioned thereby, and for any of said purposes may make and execute all agreements and assurances which it shall think fit, and the purchaser shall in no case be bound to enquire whether notice of intention to sell has been given or default made or otherwise as to the regularity or validity of any sale or lease made hereunder;

(f) Any sale or lease by the Bank shall be valid as regards the purchaser or lessee, and the remedy of the Chargor shall be in damages only against the Bank, and any sale or lease hereunder shall not in any way be restrained or affected thereby; and

(g) The costs of any sale proceedings hereunder, whether such sale proves abortive or not, incurred in taking, recovering or keeping in possession of the Property or in enforcing the personal remedies under this Charge or by reason of non-payment or in procuring payment of the Indebtedness shall be payable by the Chargor, whether any action or other proceeding has commenced or not.

21. Additional Remedies on Default

(a) Distress

The Chargor hereby covenants and agrees that the Bank, its successors or assigns, may:

(i) distrain for arrears of interest against the Property or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress; and

(ii) distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

(b) Rights to Enter and Repair etc.

The Chargor hereby covenants and agrees that in the event of default in the payment of any instalment of principal, interest or taxes hereby secured or any other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained after all or any part of the monies hereby secured have been advanced, the Bank may at such time or times as it may deem necessary and without the concurrence of any other person:

(i) enter upon the Property for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Property as it may deem expedient, and

(ii) make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Property,

and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Bank or other person appointed for the above purposes shall be forthwith payable to the Bank, and shall be a charge upon the Property and shall bear interest at the Interest Rate until paid.

(c) Appointment of Receiver

Notwithstanding anything herein contained, the Chargor hereby agrees that any time and from time to time when there shall be default in the performance or observance of any of the terms, conditions, covenants, or payments described herein or in any additional or collateral security given by the Chargor to the Bank, then the Bank may, at such time and from time to time and with or without entry into possession of the Property, or any part thereof, by instrument in writing appoint any person(s), whether an officer or officers or an employee or employees of the Bank or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Property, or any part thereof or derived therefrom, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that, in making any such appointment or removal, the Bank shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(i) Every such receiver shall have unlimited access to the Property as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to:

(A) take possession of the Property or any part thereof;

(B) collect the rents and profits from tenancies whether created before or after these presents;

(C) rent any portion of the Property which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate leases;

(D) complete the construction of any building or buildings or other erections or improvements on the Property left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;

(E) manage, operate, repair, alter or extend the Property or any part thereof;

(F) collect profits and realize upon additional or other security granted by the Chargor to the Bank;

(G) take proceedings, be they legal or otherwise, in the name of the Chargor or otherwise;

(H) carry on or concur in carrying on the business which the Chargor is or was conducting on or from the Property; and/or

(I) borrow money on the security of the Property, if the Bank consents, in priority to this Charge.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Property. The rights and powers conferred herein are supplemental to and not in substitution for any rights which the Bank may have from time to time.

(ii) The Bank may at its discretion vest the receiver with all or any of the rights and powers of the Bank.

(iii) The Bank may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Property.

(iv) Every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Bank and the Bank shall not be responsible for his acts or omissions.

(v) The appointment of any such receiver by the Bank shall not result in or create any liability or obligation on the part of the Bank to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Bank a chargee in possession of the Property.

(vi) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by him in respect of the Property, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

(A) his remuneration aforesaid;

(B) all costs and expenses of every nature and kind incurred by him in connection with the exercise of his powers and authority hereby conferred;

(C) interest, principal and other money which may, from time to time, be or become charged upon the Property in priority to these presents, including taxes;

(D) to the Bank all interest, principal and other monies due hereunder to be paid in such order as the Bank in its discretion shall determine;

(E) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Property and shall bear interest from the date of demand at the Interest Rate.

(vii) Saves as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

(viii) The Bank may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(ix) The statutory declaration of an officer of the Bank as to default under the provisions of these presents and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

(x) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Bank may have.

(xi) Nothing contained herein and nothing done by the Bank or by the receiver shall render the Bank a mortgagee in possession or responsible as such.

22. Buildings, Advances and Cost of Search

And it is the intention of the parties hereto that:

(a) the building or buildings erected on the Property form part of the security for the full amount of the monies secured by the Charge;

(b) that all advances are to be made in such manner at such times and in such amounts up to the full amount of said monies as the Bank in its sole discretion may determine; and

(c) subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge or the advancement of any part of the monies, the Bank is not bound to advance the monies or any unadvanced portion thereof and the advance of the monies and any part thereof from time to time shall be in the sole discretion of the Bank, but nevertheless the charge hereby made shall take effect forthwith upon the execution of these presents by the Chargor and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be charged hereby upon the Property and shall be without demand thereof, payable forthwith with interest at the Interest Rate and in default the said Bank's power of sale hereby given, and all other remedies hereunder shall be exercisable.

23. Fixtures

The Chargor hereby agrees that all erections and improvements fixed or otherwise now on or hereafter put upon the Property, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the realty and shall be a portion of the security for the indebtedness herein mentioned.

24. Partial Release

The Chargor hereby agrees that the Bank may at any time:

(a) release any part or parts of the Property or any other security or any surety for payment of all or any part of the monies hereby secured either with or without any or sufficient consideration therefor, or

(b) release the Chargor or any other person from any covenant or other liability to pay the said monies or any part thereof, either with or without any or sufficient consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Bank and without thereby releasing any other part of the Property, or any other securities or covenants herein contained,

it being especially agreed that notwithstanding any such release the Property, securities and covenants remaining unrealized shall stand charged with the whole of the monies secured by the Charge.

25. Default in Prior Charges

The Chargor hereby agrees that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage or charge to which the Charge is subject, then and in that event the monies hereby secured shall forthwith become due and be payable, at the option of the Bank, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale herein contained may be exercises as herein provided.

26. Liens and Construction

Provided also that upon the registration of any lien against the Property, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the principal and interest and all other amounts hereby secured shall, at the option of the Bank, forthwith become due and payable.

27. Waste, Vacancy, Repair and Building Completion

The Chargor hereby covenants and agrees that:

(a) the Chargor shall not permit waste to be committed or suffered on the Property,

(b) he shall maintain the buildings or other improvements on the Property in good order and repair to the satisfaction of the Bank and shall not permit or suffer them to become or remain vacant and,

(c) the Bank may, but shall not be obliged to, and without incurring any liability as mortgagee in possession, enter upon the Property and make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Property; and

(d) the cost of repair, construction or reconstruction shall be added to the debt secured by this Charge and shall bear interest at the Interest Rate and shall, with such interest, be a charge on the Property prior to all claims thereon subsequent to these presents and shall be payable forthwith on demand.

28. Inspection

The Bank through itself or its agent or employees may, at any time, enter upon the Property to inspect the Property and the reasonable cost of such inspection shall be added to the debt secured by this Charge and shall bear interest at the Interest Rate, and shall, with such interest, be a charge on the Property prior to all claims thereon subsequent to these presents and shall be payable forthwith on demand.

29. Alterations

The Chargor hereby covenants and agrees that it shall not make or permit to be made any alterations or additions to the Property without the consent of the Bank.

30. Non-Merger

Charge not a Substitute for any other Security - It is hereby expressly agreed by the Chargor that this Charge shall not create any merger, rebate or discharge of any debt held by or which may hereafter be held by the Bank, whether from the Chargor or any other party or parties whomsoever and this Charge shall not in any way affect any security held or which may hereafter be held by the Bank for the Indebtedness or any portion or portions thereof or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Bank for or on account of the indebtedness of any portion or portions therefor shall the remedies of the Bank in respect thereof be affected in any manner whatsoever.

The Chargor further agrees that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as merger of the said covenant or affect the Bank's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the Interest Rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

31. Sale or Transfer of Property by Chargor

The Chargor covenants and agrees with the Bank that the Chargor shall not without the prior consent in writing of the Bank, sell, transfer or otherwise dispose of the Property or any portion thereof or any interest therein; and, in the event of such sale, transfer, or other disposition, without the consent of the Bank, the Indebtedness hereby secured shall, at the option of the Bank, forthwith become due and payable.

The Chargor further agrees that no sale or other dealing by the Chargor with the Property or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Bank as against the Chargor or any other person liable for payment of the monies hereby secured.

32. Other Encumbrances

The Chargor hereby further agrees that the Bank may:

(a) pay the amount of any encumbrance, lien or charge now or hereafter existing, or to arise or to be claimed upon the Property, including any taxes, mortgages, utility charges or other rates on the Property or any of them, or any amounts payable to the Condominium Corporation, and

(b) pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Property and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize this security, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor hereunder whether any action or any judicial proceedings to enforce such payments has been taken or not,

and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid hereunder by the Bank shall be added to the debt hereby secured and be a charge on the Property and shall bear interest at the Interest Rate, and shall be payable forthwith by the Chargor to the Bank, and the non-payment of such amount shall be a default of payment within the meaning of those words in the paragraph dealing with power of sale and shall entitle the Bank to exercise the power of sale and all other remedies hereby given.

(c) In the event of the Bank paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or Government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

33. Ontario New Home Warranties Plan Act

If the Bank incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Home Warranties Plan Act* and the Regulations thereunder, including any amendments to or replacements of either of them (the "Act"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the Act or enrolling the Property or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the debt hereby secured and be a charge on the Property in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Interest Rate and shall be payable forthwith by the Chargor to the Bank.

34. Extensions and Renewals

No renewal(s), variation(s) and/or extension(s) of time given by the Bank to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner(s) of the Property or of any part thereof, shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable for the payment of the monies hereby secured.

35. Bonus on Default

On default of payment of any of the monies hereby secured or payable the Bank shall be entitled to require payment, in addition to all other monies hereby secured or payable hereunder, of a bonus equal to three months' interest in advance at the Interest Rate upon the principal money hereby secured, and the Chargor shall not be entitled to require a discharge of the Charge without such payment.

36. Discharge

The Bank shall have a reasonable time after payment in full of the monies secured by the Charge within which to prepare and execute a discharge or, if requested, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Bank and all legal and other expenses for the preparation and execution of such discharge and assignment shall be borne by the Chargor.

37. Other Security

The Charge is in addition to and not in substitution for any other security held by the Bank including any promissory note or notes for all or any part of the monies secured hereunder, and it is understood and agreed that the Bank may pursue its remedies thereunder or hereunder concurrently or successively at its option. Any judgment or recovery hereunder or under any other security held by the Bank for the monies secured by the Charge shall not affect the right of the Bank to realize upon this or any other such security.

38. Spouse's Consent

And the spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Property to the extent necessary to give effect to the rights of the Bank hereunder, and agrees that the Bank may, without further notice, deal with the Property and the debt hereby created as the Bank may see fit.

39. Family Law Act

The Chargor covenants and agrees that:

(a) he or the owner from time to time of the Property will advise and keep advised the Bank as to whether he (i.e. the Chargor or the owner from time to time) is a spouse as defined in the *Family Law Act*, 1986 as amended or replaced from time to time (the "Act"), and if so, the name of his spouse, and of any change in his spousal status or in the status of the Property as a matrimonial home within the meaning of the Act, and

(b) forthwith on request he will furnish the Bank with such evidence in connection with any of the matters referred to in clause (a) above as the Bank may from time to time require, including, without limitation, his and his spouse's name, address and birth date and his and his spouse's authorization to the Registrar under The Vital Statistics Act of the Province of Ontario to provide the Bank from time to time on request all information in its possession relative to any marriage, divorce or death of the Chargor or his spouse,

and on default the principal money, interest and all other monies hereby secured shall, at the option of the Bank, forthwith become due and payable.

40. Severability of any Invalid Provisions

It is agreed that in the event that at any time any provision of these presents is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or would by reason of the provisions of any such statute or regulation render the Bank unable to collect the amount of any loss sustained by it as a result of making the above recited loan which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Bank unable to collect the amount of any such loss.

41. Covenantor or Guarantor

If a party is named as a Covenantor or Guarantor in the Charge or a schedule thereto, then it being a condition of the making of the loan referred to in the Charge that the covenant hereinafter set forth should be entered into by such party (the "Covenantor"), the Covenantor on behalf of himself, his executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the monies secured by the Charge does hereby covenant, promise and agree as principal debtor and not as surety to and with the Bank, its successors and assigns, that he shall and will:

(a) well and truly pay, or cause to be paid unto the Bank, its successors and assigns, the said principal sum and all other monies hereby secured together with interest upon the same, at the days and times, and in the manner in the Charge limited and provided for payment thereof;

(b) in everything, well and truly do, observe, fulfil and keep all and singular the covenants, provisos, conditions, agreements and stipulations in the Charge, particularly set forth, according to the true intent and meaning thereof, and

(c) abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge on the part of the Chargor set forth,

and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon, and if there are more than one Covenantor shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantors.

42. No Prejudice from Failure to Enforce Rights

The Chargor hereby agrees that:

(a) no failure to enforce at any time or from time to time any of the rights of the Bank hereunder shall prejudice such rights or any other rights of the Bank;

(b) no performance or payment by the Bank in respect of any breach or default hereunder of the Chargor shall relieve the Chargor from any default hereunder; and

(c) no waiver at any time or from time to time of any such rights of the Bank shall prejudice such rights in the event of any future default or breach.

43. Compliance with the Law

The Chargor covenants and agrees at all times to promptly observe perform, execute and comply with:

(a) all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and

(b) all private covenants and restrictions affecting the Property or any portion thereof.

The Chargor shall from time to time, upon request of the Bank, provide to the Bank evidence of such observance and compliance, and shall at its own expense make any and all improvements thereon or alterations to the Property structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

44. Interpretation

It is hereby agreed and declared that:

(a) the expression "the Chargor" shall include the heirs, executors, administrators, successors and assigns of the Chargor;

(b) the expression "the Chargee" shall include the successors and assigns of the Chargee;

(c) the expression "the Bank" shall include the successors and assigns of the Bank;

(d) the words in the singular include the plural, and words in the plural include the singular;

(e) the words importing the masculine gender include the feminine and neuter genders where the context so requires and vice versa;

(f) that all covenants, liabilities, and obligations entered into or imposed hereunder upon the Chargor shall be equally binding upon his, her or their respective heirs, executors, administrators, successors, and assigns;

(g) that all such covenants, liabilities and obligations shall be joint and several; and

(h) that all rights, advantages, privileges, immunities, powers and things hereby secured to the Bank shall be equally secured to and exercisable by its successors and assigns.

45. Headings

The paragraph headings herein are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

46. Date of Charge

This Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of signature thereof by the first named Chargor.

Dated the 13th day of September, 2002

Korea Exchange Bank of Canada

Per:

IN-WOONG PARK
Vice-President
Korea Exchange Bank of Canada

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 200229 Cote